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The Eastside Central: NAIOP Real Estate Development Workshop

Kent Wu

Portland State University

Jeff Schindler

Portland State University

Jana Faro

Portland State University

Geoff Falkenberg

Portland State University

Blas Delascio

Portland State University

See next page for additional authors

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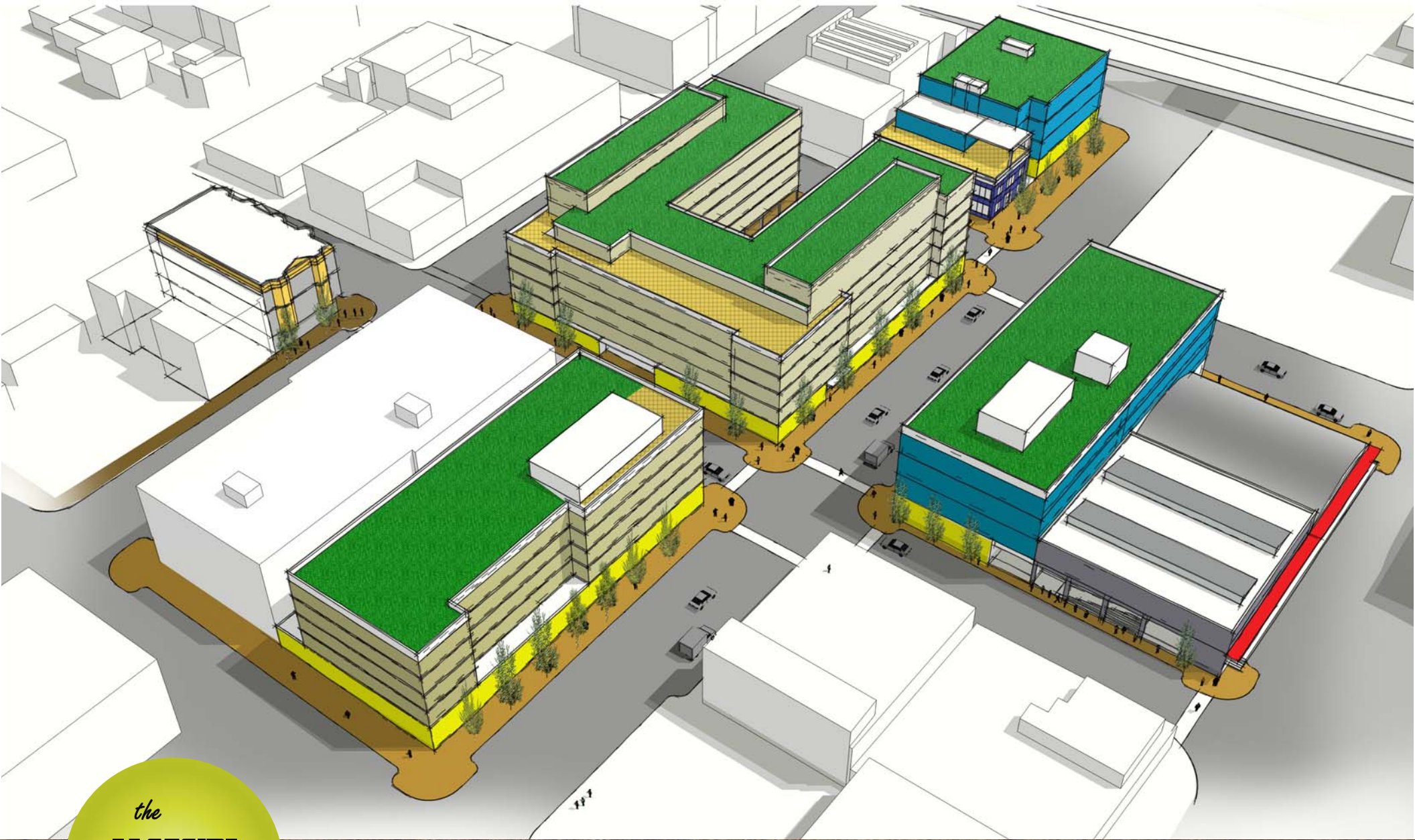
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Authors

Kent Wu, Jeff Schindler, Jana Faro, Geoff Falkenberg, Blas Delascio, Angela Guo, and Elizabeth Heredia



the
**EASTSIDE
CENTRAL**



Portland State
UNIVERSITY

NAIOP
COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION
OREGON CHAPTER

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EXECUTIVE SUMMARY

The Central Eastside: Portland's Industrial Heart

Portland's Central Eastside district not only has a rich history but is also positioned for unique opportunities in development. Located just one-half mile east of the CBD, the district is comprised of a collection of brick warehouses, auto shops and produce distribution facilities; a gritty pastiche that makes no attempt to conceal its longstanding history as Portland's "Industrial Sanctuary."

Over the last decade, the neighborhood has begun to change. Multi-family developments have sprung up along the E. Burnside and Belmont corridors, and the well-traveled arterials of Grand Avenue and Martin Luther King Jr. Boulevard now play host to bars and restaurants that represent the cutting edge of Portland's culinary scene. Streetcar lines bisect the district and carry residents to downtown and the upper reaches of the West Side. Destination retailers of outdoor apparel, sporting goods and home furnishings that have drawn shoppers to the district for decades now find themselves joined by architectural firms and creative micro-manufacturers looking to feed off of the energy emanating from the roll-up doors and loading docks that line the district's side streets.

This is not just another fashionable place to live that offers the requisite coffee shops and food cart pods Portlanders have come to expect. Things are made here. There is an authenticity to the Central Eastside that cannot be created whole cloth on a drafting table. It took 100 years of work to build this. The history of these buildings is palpable, and it reminds us that Portland is still a city that manufactures goods out of fabric, timber and steel.

Portland's Industrial Sanctuary may be transforming to meet the evolving needs of the 21st Century, but its creative spirit is as strong as ever. New technologies are bringing new forms of light industry

to the east side of the Willamette River. New residents are moving in and historic buildings are being adapted for new uses. Over the next decade, development will transform the district into a dynamic and diverse urban neighborhood that offers new opportunities and a place where "makers and doers" can bring their visions to life.



THE EASTSIDE CENTRAL
A Renewed Vision For the Industrial District

The Eastside Central represents a singular opportunity to create a synergistic, mixed-use development in the heart of the Central Eastside. Located on the Grand/MLK corridor just north of the Morrison St. bridge, this project will bring new life to the district, offering new housing units, creative office space, and a retail arcade that will serve as an incubator for Portland's local artisanal food and beverage purveyors. Driven by the innovative spirit of the neighborhood, The Eastside Central will combine adaptive reuse development with new construction, preserving contributing buildings in the Grand Avenue Historic District while bringing new, state-of-the-art retail, residential and entertainment buildings to serve the new residents and workers of the Central Eastside.

The Eastside Central sits in an enviable location, served by streetcar, bus lines, and bicycle corridors. MAX light rail at the Lloyd Center is a short, ½ mile streetcar or bicycle ride away. Easily accessible from the I-5 freeway, the district lies within 5 miles of nearly 420,000 residents. The multi-phase development program will include pedestrian and streetscape improvements that will enhance walkability and promote bicycle commuting and public transit use, and will utilize shared parking strategies to maximize

parking efficiencies.

The accessibility and visibility of the district make the Central Eastside Portland's most important area for new development over the next decade, and The Eastside Central will provide catalytic development that will activate the district and bring new industries, jobs and residents to the urban core. The Eastside Central will help achieve the city's Central City Plan goal of preserving historically significant buildings while increasing density, creating new employment opportunities and promoting transit-oriented development.



Barber Blocks built in 1890

BRIEF HISTORY

BURNS BROTHERS SITE HISTORY

In 1947, Jack and Bob Burns (The Burns Brothers) were told by their father (an executive at Standard Oil of California – now known as Chevron) that Standard Oil was going to build a few truck stops—a new concept at the time—on the West Coast.

One of those three truck stops was to be built in Portland, and their father arranged to have them lease it from Standard Oil. It was located between SE Grand and Union (now MLK) Avenues, which was known at that time as Highway 99. In 1947, prior to the construction of the interstate highway system, this route was the main artery from Canada to Mexico. The Central Eastside of Portland was the hub of activity for trucks that were typically filled with fruits, vegetables, and food items arriving daily from California, much of it destined for the district's Produce Row.

As their business grew, the Burns Brothers purchased the service station from Standard Oil, as well as other adjacent blocks. The block to the north was for truck parking after they were fueled and serviced, creating a small community of travelers. The block to the west of the truck stop was turned into Burns Brothers Tire and Supply Company, which wholesaled tires, truck and auto parts, and the Burns Brothers Tire Recapping Company, which recapped used truck tires. These businesses supported Burns Brothers trucking customers as it continued to expand its locations. Another half block (where River City Bikes is located today), was the location for Ott's Friction Materials. Ott's, owned at that time by the Burns Brothers, manufactured and sold brake shoes and other friction products for trucks and other vehicles.

In 1998, Burns Brothers sold 17 of its truck stops while keeping two locations, one in Wilsonville and the original Central Eastside truck stop location, for future development. As a result of this decision, Burns Brothers has maintained its role as a key player within

the development of the Central Eastside, primarily operating as a real estate holding company.

In 1962, Jack Burns bought the Barber Block building at the corner of SE Grand and Washington. Shortly thereafter, the Columbus Day storm hit the Portland area and blew the roof off. This historic



Photo of the original truck stop as it was in 1947. The price of diesel was \$0.19 a gallon at the time

building sat in disrepair until 1977, when a two-year restoration project began on the building. 12 apartments still occupy the top two floors. For 18 years, the Burns Brothers operated a Cajun restaurant known as Digger O'Dell's at that site. In 2007, after the completion of a \$1 million renovation of the ground floor space and some seismic work, Northwest Bank began operating in the ground floor space. Recently the bank merged with an Idaho bank and relocated to Lake Oswego, leaving the ground floor space vacant.

CENTRAL EASTSIDE HISTORY

Settled in 1845, the City of East Portland was populated with orchards and east bank marshes and creeks. In 1869, the East-Side Oregon Central Railroad connected the area with Salem, and an industrial economy based on the shipment of agricultural products began to thrive. The Morrison Bridge, the first to connect East Portland with the City of Portland across the Willamette River, was built in 1887. During this time, rail was the primary source of shipping from the river, providing access to California and eastern states. East Portland began to have a significant economic impact on the district and region.

In 1891, East Portland was incorporated into the City of Portland, which established the Pacific Northwest's largest port. By the end of the 20th century, East Portland was a thriving commercial district, its riverbank lined with double-decker docks that allowed the loading and unloading of ships. Produce distribution and industrial service businesses lined the railroad tracks and Union Avenue. Commerce spanned Grand Avenue, and vacant lots throughout the area filled in with a mix of industrial, commercial, and residential uses.

Buildings that used to house single produce and agricultural distribution companies now host numerous small-scale manufacturing, industrial service, and industrial office users. This, in addition to multiple transit options to the region, has contributed significantly to the businesses that employ over 17,000 people in this district.

It wasn't until 1988 that Portland's east side was designated as an official district with the new policy direction to "preserve the central eastside as an industrial sanctuary." The history of zoning in the area promotes industrial uses, with mixed use corridors. Zoning flexibility and urban character make its location a highly attractive place for other uses, including residential and commercial.

SITE ANALYSIS

EXISTING CONDITIONS

BLOCK 1:

Currently an empty gravel lot with a few food carts. There are easements along the site's eastern edge. High vehicle counts on SE Stark and MLK make the site highly visible.

BLOCK 2:

Includes a historic registered building built in 1890 that was recently remodeled. Currently a vacant retail space is on the ground level and residential apartments are above. The parking lot to the east includes 20 spaces, serves the retail and is within the IG-1 zoning.

BLOCK 3:

The block is comprised of multiple construction types. Two large, cast-in-place concrete warehouses occupy the western half of the site, with smaller retail and car garage structures on the eastern half.

The northern warehouse building uses heavy timbers to support and span the roof. Ambient light filters through roof monitor skylights. The southern warehouse has a dramatic bow truss roof. Both blocks share a raised loading dock on the western edge with multiple loading bays. Both warehouses have basements with a ceiling height of approximately 12 feet. Freight elevators are included in both buildings.

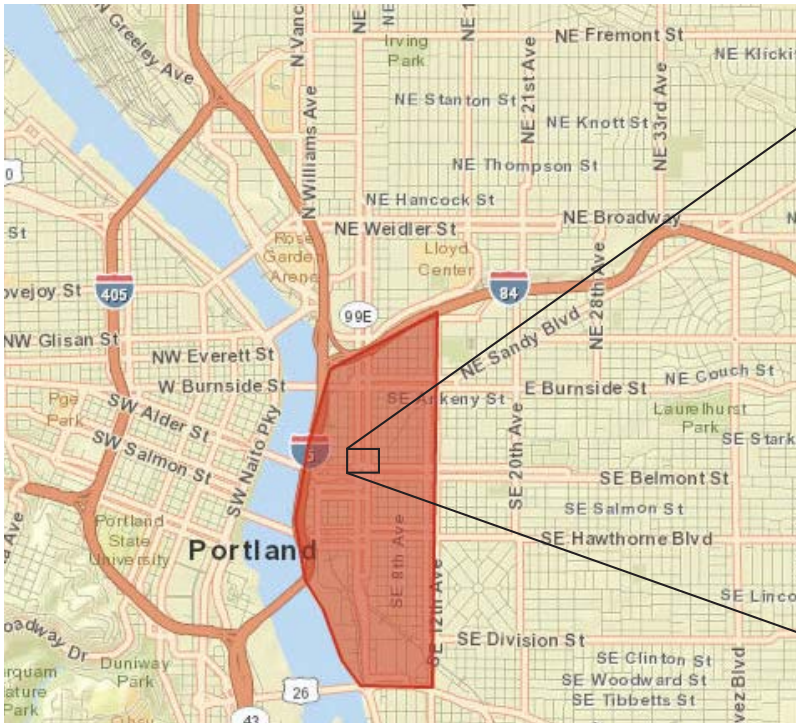
The uses on this block resemble the uses of the district as a whole, including warehouse, retail showroom, assembly/manufacturing, produce distribution, auto services and small office functions.

BLOCK 4:

A gas station and convenient store occupies the site. They were constructed in the mid-1990s to modern standards and environmental regulations. The site was remediated of contaminants prior to the construction. The current lease for the gas station ends in 2019, and the parcel is currently one of the more profitable sites of the five Burns Brothers blocks.

BLOCK 5:

A contributing building to the Grand Avenue historic district, this site is the current home for the successful River City Bicycles retail store. The southern portion of the block is a parking lot serving the retail store.



Site Aerial, Blocks are denoted 1 thru 5 from north to south, west to east.



Block 1, 550 SE MLK Blvd.

A



Graziano Food Services, 302 SE Washington St.

B



Historic Barber Block, 532-538 SE Grand Ave.

C



River City Bicycles, 706 SE MLK Blvd.

D



Linoleum City, 623 SE MLK Blvd.

E



Linoleum City, south loading area.

F



Shell Gas Station, 621 SE Grand Ave.

G



Site Aerial: Location and perspective of photographs taken.

SITE ANALYSIS: ZONING

ZONING OVERVIEW

The current zoning structure for the project site includes IG-1 (General Industrial) and EX-d (Central Employment with a design overlay) zone designations. On the west side of MLK Jr. boulevard, the Central City Plan designates the IG-1 zone to be in the Employment Opportunity Subarea, which allows for expanded uses beyond traditional IG-1 allowances. Additionally, two of the parcels in the project have contributing buildings

in the East Portland/Grand Avenue Historic District, which limits their ability to be altered or removed. Type III Procedures would be required to substantially alter the contributing buildings, and a Type IV Procedure would be required for demolition.

ZONING MAP AND ALLOWED USES

The Central Employment Zone (EX-d), which is the dominant base zone along the Grand/MLK

ALLOWABLE SF

BLOCK #	FAR	SITE SF	MAX SF
1	6:1	19,200	115,200
2	6:1*	15,000	90,000
3	9:1	36,000	324,000
4	6:1*	38,000	228,000
5	9:1	15,000	135,000
		Total	892,200

* Assumes a zone change from IG1 to EX

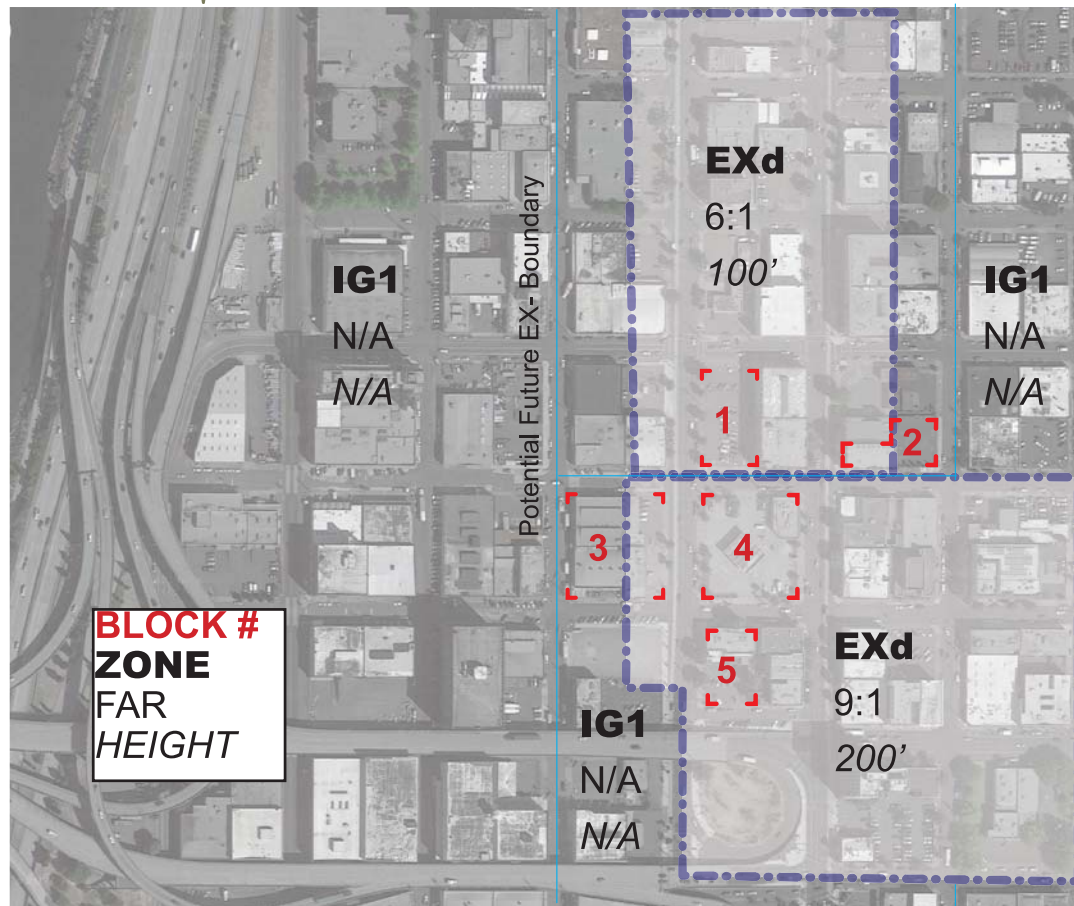
corridor, is intended to allow mixed-uses in areas of the city that have predominantly industrial-type development. This includes industrial, business, and service uses that need a central location. Residential uses are allowed, but are not intended to predominate or set development standards for other uses in the area.

The other base zone in the district, General Industrial (IG-1), is more limiting in its allowed uses. The General Industrial Zone IG-1 is one of the three zones that implement the Industrial Sanctuary map designation of the Portland's Comprehensive Plan. The zones provide areas where most industrial uses may locate, while other uses (such as residential) are restricted to prevent potential conflicts and to preserve land for industry. In particular, IG-1 areas generally have smaller lots and a grid block pattern. The IG-1 areas are mostly developed, with sites having high building coverages and buildings which are usually close to the street. IG-1 areas tend to be the City's older industrial areas.

CENTRAL CITY PLAN DISTRICT

One notable exception to prescribed IG-1 uses is the Employment Opportunity Subarea, which is defined in the Central City Plan District. The EOS expands allowed retail and traditional office use from 3000 to 5000 square feet per site. As the proposed

SITE AERIAL, ZONING BREAKDOWN



retail uses for Block 3 will exceed the 5000 square foot limit, the development plan proposes a zone change from IG-1 to EX-d as allowed under the Comprehensive Plan Map Amendment set forth by the city. This process will require a preliminary hearing and a zone change fee

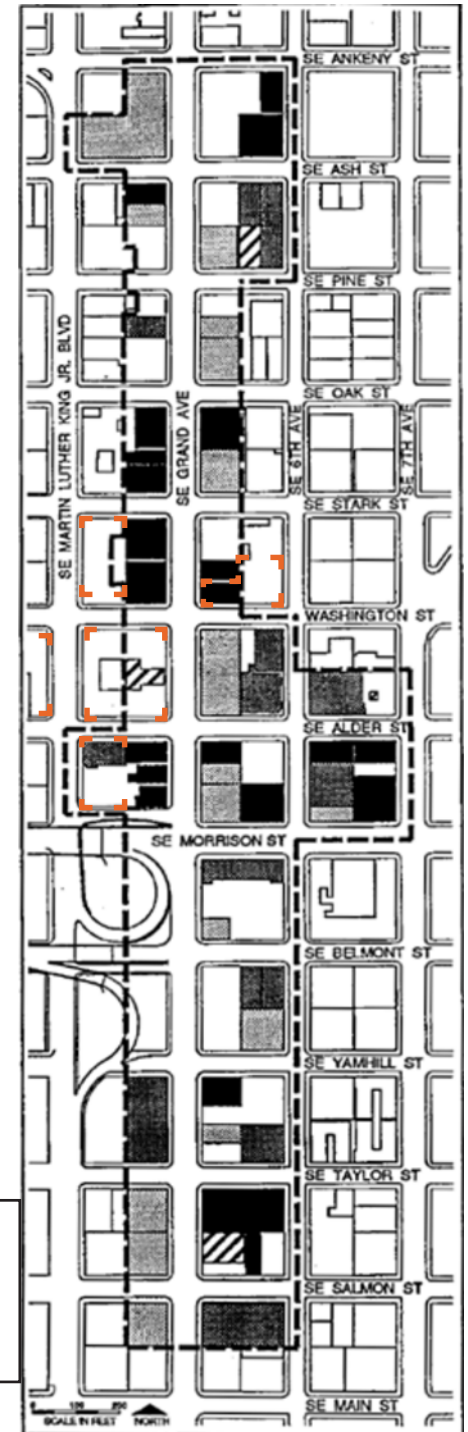
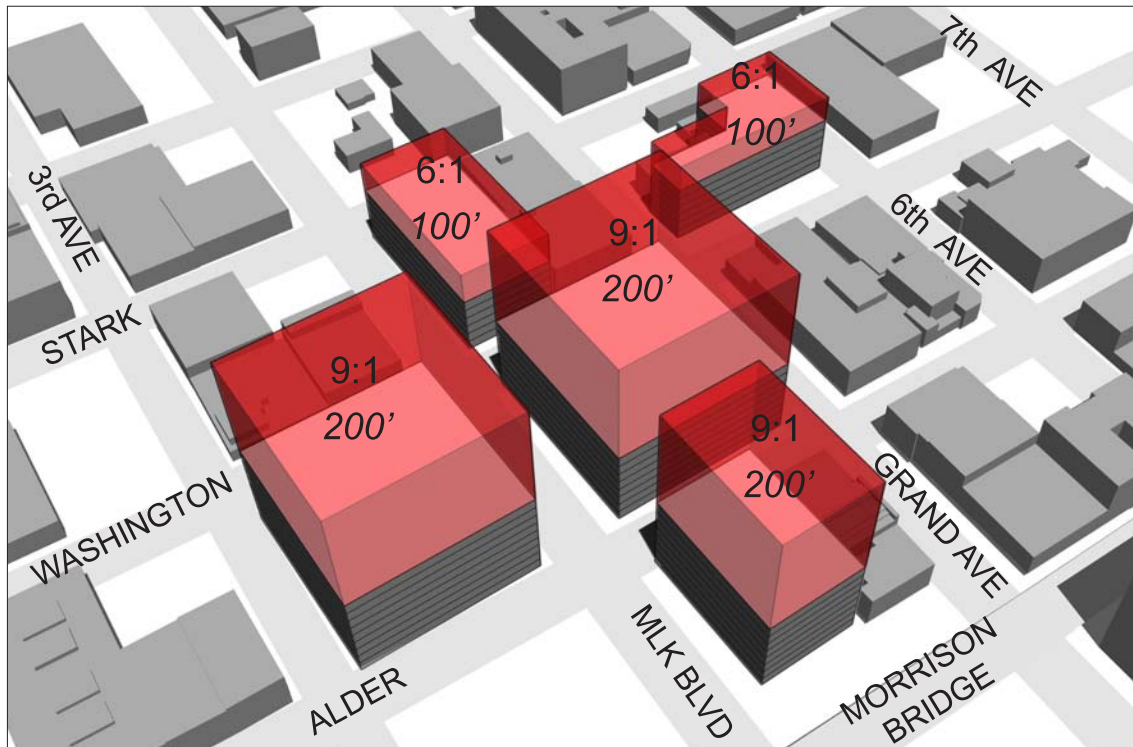
EAST PORTLAND/GRAND AVE. HISTORIC DISTRICT AND CONTRIBUTING PROPERTIES

An addition to the Central City Plan, the East Portland/Grand Ave. Historic District covers a section of the Central Eastside roughly ½ block east and west of SE Grand Ave. between SE Ankeny and SE Main Streets. The goal of the Historic District is to integrate urban design with the preservation of Portland's architectural heritage in Central City development. Additional goals include the promotion of pedestrian safety and human-scale development, and the preservation of diversity and areas of special character within the Central City. All development within the historic district is subject to design review. However, two contributing parcels in the

development require special consideration. The Barber Block building at 520 SE Grand Ave. (Block 2) carries a primary building classification, and alterations to the interior and exterior of the building would need to be minor for the purpose of this development. The building at 706 SE Martin Luther King Jr. Boulevard (Block 5), currently occupied by River City Bicycles, is classified as a secondary contributing building, and significant alterations to the building's exterior would likely require significant administrative review.

The restrictions imposed by the historic district lead our development team to believe that the proper use of both contributing buildings would involve minor alterations and perhaps structural upgrades, but that the both buildings would remain largely intact in their current state. Development opportunity exists for the southern half of Block 5, which is addressed in the Development Plan.

SITE F.A.R. AND HEIGHT LIMITS



NEIGHBORHOOD

A neighborhood with high potential

A KEY ELEMENT OF THE PORTLAND PLAN

The SE Quadrant Plan drives the long-range plans for the Central Eastside for Portland's Central City 2035 Plan. It envisions the Central Eastside as a major employment center that is driven by Employment Transit-Oriented Development (ETOD), reducing the need for automobile use and parking development in the central city. By encouraging responsible mixed-use development that will help revitalize the Grand Avenue Historic District, the Plan will bring more residents and greater density to the Central Eastside while protecting Portland's "industrial sanctuary" and the many jobs that it creates for Portland residents.

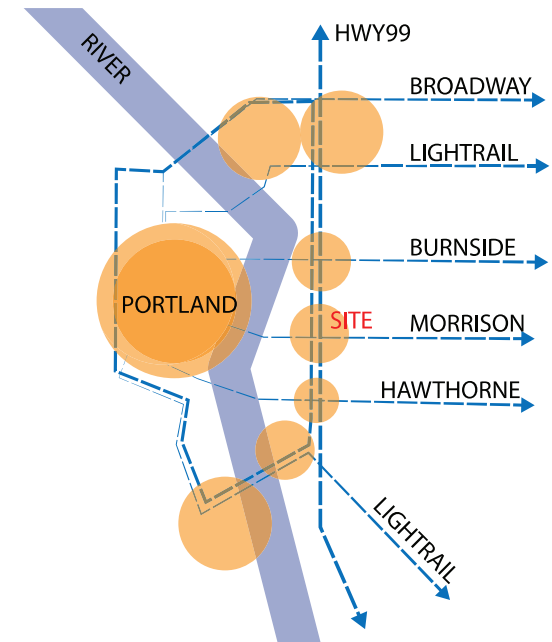
RICH IN AMENITIES

For a true industrial district, the Central Eastside boasts a surprising number of restaurants, bars and retail stores. The blocks surrounding the Eastside Central are particularly active, home to popular

restaurants such as Trifecta, Bunk Sandwiches, Bistro Montage and Nicholas, as well as bars like Dig a Pony, Slow Bar and Voicebox. True to Portland's adventurous spirit, the district's retail stores cater to active consumers who love the outdoors—Bike N' Hike, Next Adventure, Portland Running Company and River City Bicycles can all be found close by.

A DENSE EMPLOYMENT DISTRICT

Despite covering area of just over one square mile, the Central Eastside is an employment powerhouse. The district provides the city with over 17,000 jobs, which accounts for over 35% of Portland's job growth over the past five years. Prominent industries include metals manufacturing, warehousing, professional and financial services, food services and production, software publishing, apparel manufacturing and micro-distilling. As new industries emerge, the area is becoming known as the city's incubator for small businesses and where creativity can thrive.



Portland Plan Diagram



Panorama of the Site

Eastbank Esplanade



Streetcar Loop



Bike Boulevard



NEIGHBORHOOD ACCESS AND SITE VIEWS



MEETING THE NEEDS OF THE CENTRAL EASTSIDE

As new residential development moves into the area, the Central Eastside is evolving into a district where people live, work and play. In order to create walkable neighborhoods while minimizing the need for automobile transportation, the district will need more “necessity retail” such as food markets, pharmacies, health services, dry cleaners and other everyday services so residents can meet their needs without having to travel to the Lloyd District or downtown. Ultimately, these services will also be a benefit to the office and industrial employees that spend their working hours in the district. tries include metals manufacturing, warehousing, professional and financial services, food services and production, software publishing, apparel manufacturing and micro-distilling.



Mt. Hood

- Park
- Bike Path
- Street Car
- Major Road
- Views
- Site



Lloyd District



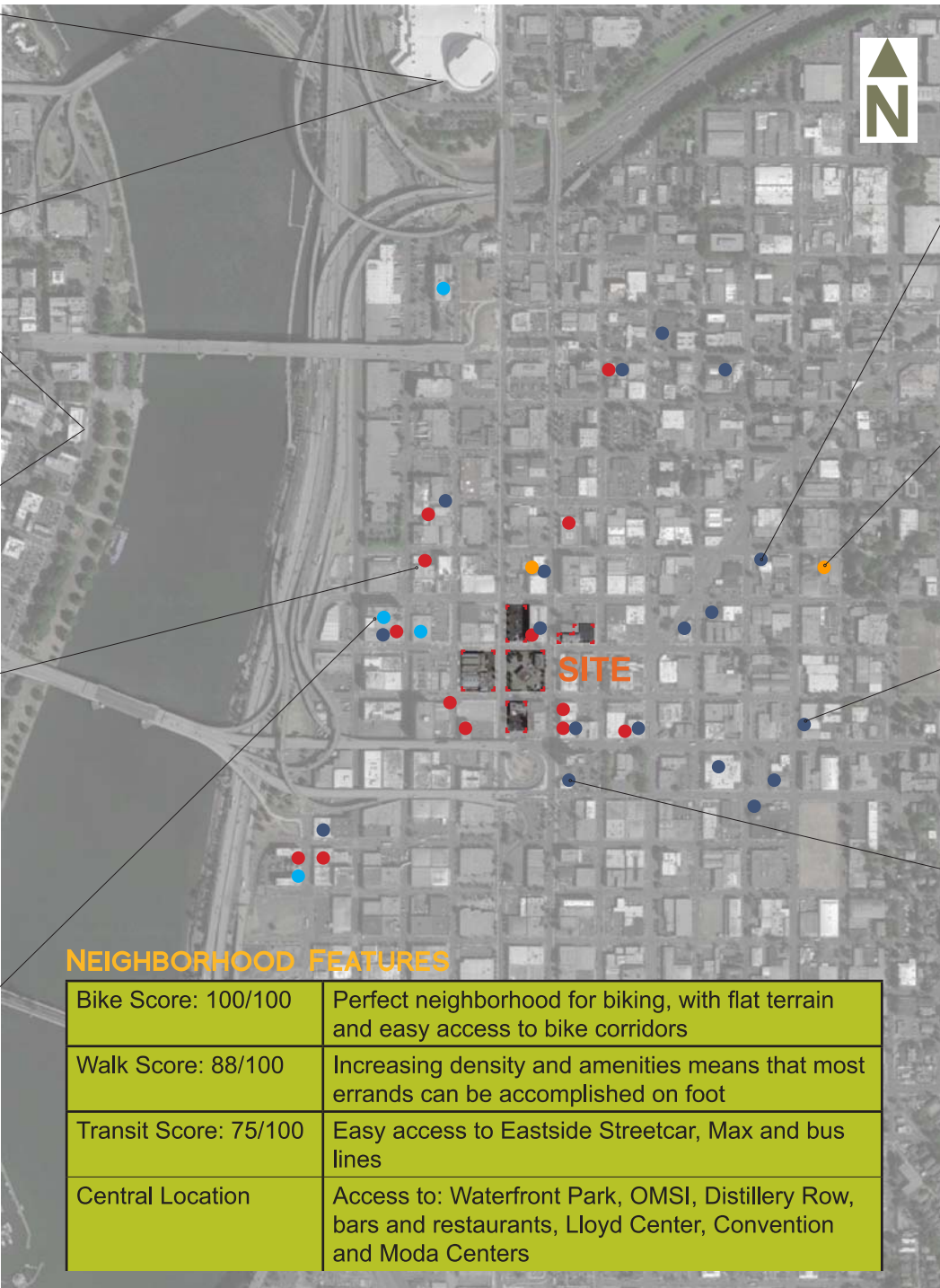
Downtown Portland



Produce Row Cafe



Olympic Mill Commerce Center



Base Camp Brewing Company



ADX community workspace



Holocene event venue



Fashion show at Dig a Pony

- Restaurant
- Bar/Nightlife
- Craft Industry
- Creative Office
- Site

NATIONAL AND LOCAL ECONOMY

NATIONAL TRENDS

After a strong finish to 2013, the United States economy is forecasted to continue on a healthier trajectory. In 2013, GDP grew from 1.1 percent in the first quarter, 1.7 percent in the second quarter, 4.1 percent in the third quarter and 3.2 percent in the fourth, the United States Bureau of Economic Analysis (BEA) reports.

Unemployment rate are on a downward trend and in January 2014 was 6.6%, the lowest since late 2008. Employment continues to improve with nonfarm payroll employment increased by 175,000 in February. Over the prior 6 months, nonfarm employment grew by an average 182,000 per month. In February, professional and business services and wholesale trade added jobs, while information lost jobs (United States Bureau of Labor Statistics).

The City of Portland Economic Opportunities Analysis states that National employment trends indicate a shift from manufacturing to service sectors and leading growth in health, education and professional and business services (Portland Bureau of Planning and Sustainability). Manufacturing currently is about 9% (BLS) of all non-farm jobs and is estimated to decrease to between 6 and 7% by 2035 (Portland BPS).

STATE TRENDS

Oregon ranked as the number one destination among people who moved from one state to another in 2013. According to United Van Lines' annual migration study, which tracked 129,000 moves in the United States in 2013, more than 61% of all interstate moves made in Oregon were for people coming to live in the state. The continued migration to the Pacific Northwest of young professionals and retirees are attributed to the availability of amenities

such as public transit, green space and the local arts and entertainment scene. Inbound migration was primarily from California, Arizona, Texas, Washington and New Mexico, in descending order. Oregon's 2012-2013 population growth is estimated at 0.91%, significantly higher than U.S. population growth for the same time period of 0.73%.

The Oregon Office of Economic Analysis (OEA) states that Oregon's economy is steadily improving, much like the rest of the nation with recent job growth in Oregon's private sector being faster than the national private-sector growth. Unemployment in January 2014 was 7.0%, significantly lower than the 8.3% figure in January 2013. Oregon's job growth in 2013 was much stronger than in the prior two years. Last year, 37,700 jobs were added, compared with 22,000 in 2012 and 18,400 in 2011 (Oregon Employment Department).

REGIONAL AND PORTLAND ECONOMIC TRENDS

According to Metro's forecast, as stated in the Portland EOA, the Portland region is expected to increase from just under 1 million jobs in 2010 to nearly 1.5 million in 2035. This is a gain of over 537,000 jobs with an average annual growth rate of approximately 1.8% per year from 2010-2035.

Furthermore, Metro allocates 517,000 of these jobs by 2035 to the City of Portland. In 2010, there were 370,000 jobs, and the projected Portland job gain is approximately 147,000 jobs and the annual average growth rate of 1.3% over the 2010-2035 forecast period.

Based on an EOA Focus Group Analysis conducted in 2009, a few of the emerging trends include:

- The Central City office market becoming more diverse with strong growth in lower cost incubator space.
- Industry concerns that skilled workforce development and the freight transportation system will not be able to keep pace with their changing needs.
- Neighborhood commercial corridors seeing more mixed-use development and high densities along major transit streets.

CENTRAL EASTSIDE

Johnson Economics reports that the Central Eastside historically serviced primarily as an industrial manufacturing and warehousing hub. Over 17,000 jobs are located in the district, according to the SE Quadrant Plan Bulletin (January 9, 2014), and the Central Eastside is positioned to continue to experience exceptional job growth. Over the past decade, this area has outpaced other employment districts.

MARKET ANALYSIS

A TRUE MIXED-USE DISTRICT

Portland's Central Eastside remains a true industrial district, with 49% overall industrial use in over 1100 establishments in the area. The district provides the city with over 17,000 jobs, and has accounted for over 35% of Portland's job growth over the past decade. Recent studies suggest that the use of the district is changing, however. The period between 2007 and 2011 saw a sharp uptick in retail, food services and professional and financial services, while witnessing a decline in wholesaling, warehousing and wood and metals manufacturing. New industries, such as microdistilling, apparel manufacturing and software publishing have begun to make a home in the district, attracting Millennial

generation creatives who are seeking economic opportunities and an authentic urban lifestyle.

The City of Portland's Economic Opportunities Analysis concluded that the district should retain its industrial identity and serve as an incubator for emerging businesses and industries, and that the street traffic that would accompany additional retail in the district would help contribute to steady growth. Concerns exist for the balance of use types, particularly the addition of too much residential development that could drive up land costs and lease rates, making the environment more difficult for startups and entrepreneurs.

Retail development, particularly bars and restaurants, will be critical for the district's growth as new residential, office and industrial units come online. Between 2007 and 2011, retail and food service uses grew from 13% to 16% in the Central Eastside, the largest gain of any commercial use. Of new startups in the district during the same time period, 36% were classified as retail, compared with 30% professional and 29% strong industrial.

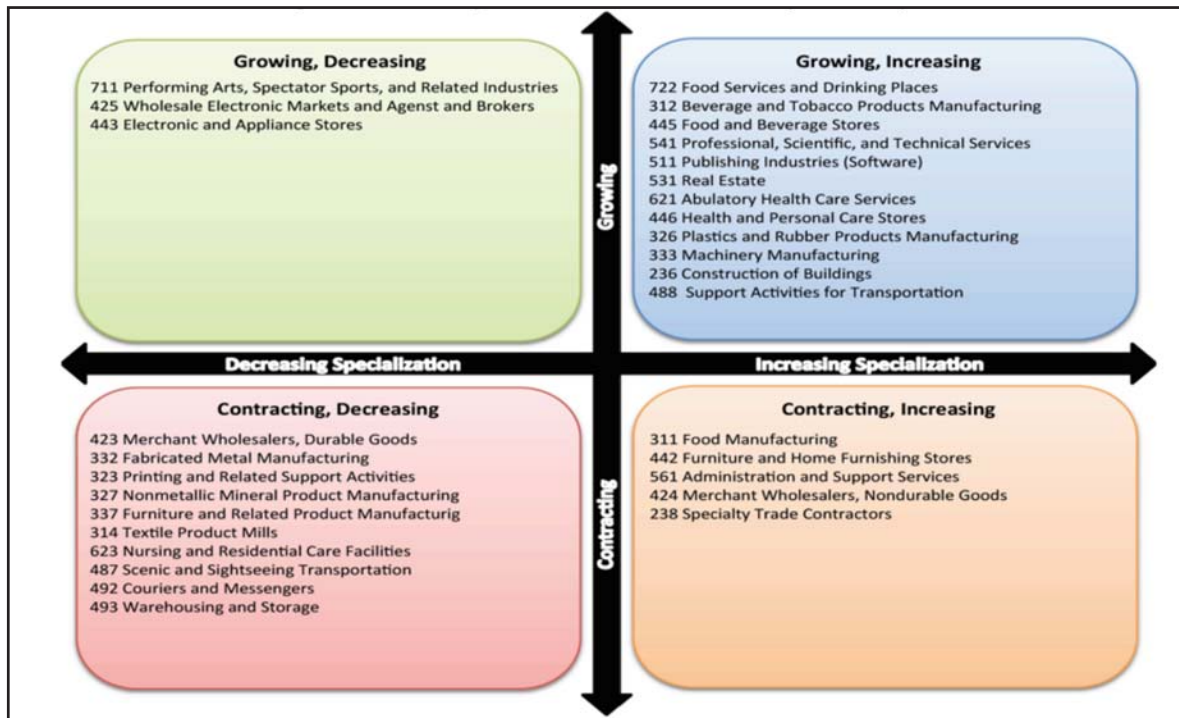
CENTRAL EASTSIDE INDUSTRY CLUSTERS

The City of Portland's Economic Development Strategy has identified six industry clusters for expansion in the central city:

1. Activewear
2. Software
3. Advanced Manufacturing
4. Bioscience
5. Clean-tech
6. Corporate Headquarters

These clusters represent a significant departure from the traditional warehousing and distribution uses that have characterized the district. As more of these businesses move in, the need for flexible space and technologically capable buildings will increase. Adaptive reuse buildings and new office construction will need to be "plug and play", with adequate power, high-speed internet and modular space that startup companies can shape according to their needs. Given the dynamic nature of these emerging industries, it is also less likely that long-term leases will be less common in the district compared with the CBD. As such, the office/industrial development model should focus on modular space at 1-3-year lease terms, with few tenant improvements offered to lessees.

CENTRAL EASTSIDE SHIFT IN SPECIALIZATION 2007-2012



RETAIL MARKET

CONSUMER SPENDING HABITS

Consumers in the Central Eastside spent heavily on food and beverage in 2012, averaging \$7,412 per household, or 50% of discretionary expenditures. Households in the submarket also spent \$2,497 on entertainment and \$2,193 on apparel. It is important to note however, that the current population of the Central Eastside--1,933 residents--is quite small due to the limit number of residential developments in the district. Given the proximity of the area to the CBD, its easy access to transit and primary use as an employment district, it is more accurate to use a three-mile ring analysis coupled with district employment figures for the purposes of retail analysis. Given these parameters, the retail potential of the district expands significantly, accessing 192,000 residents within a three-mile radius and 17,000 employees within the local district.

DEMOGRAPHICS

The demographics analysis performed for the Eastside Central examined the population in a one, three and five-mile radius from the proposed development. As the Central Eastside lies very close to wealthier East Portland neighborhoods such as Laurelhurst, Irvington and Eastmoreland, significant deltas were observed for data beyond the one-mile radius from the property. However, household income for the Central Eastside does trail overall household income for Portland, at \$54,088 to \$56,978, respectively.

The district's residents are somewhat younger and more educated than Portland as a whole, and are very likely to be renters rather than homeowners. Unsurprisingly, average household size is also considerably smaller, at 1.8 people per household compared to Portland's 2.28.

TRAFFIC COUNTS

One of the key advantages of the Central Eastside is its high traffic count on its primary travel corridors.

CENTRAL EASTSIDE TRAFFIC COUNTS



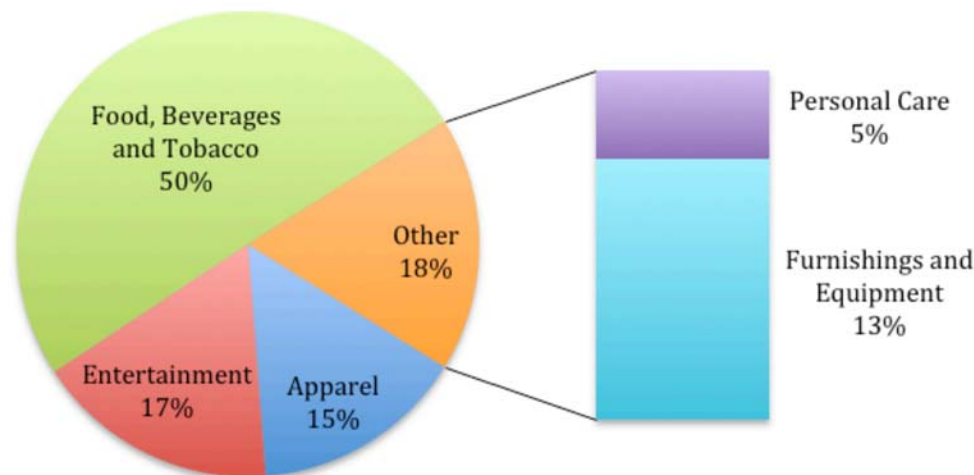
The map below illustrates the high traffic volume on the North-South Grand Avenue/Martin Luther King Jr. couplet and the East-West couplets of SE Morrison/SE Belmont and SE Madison/SE Hawthorne. These arterials account for 55-60,000 vehicles passing by the development on an average weekday. Streetcar stops at SE Stark and SE Grand Ave./MLK also provide easy access to Eastside Central's retail and restaurants.

RETAIL MARKET COMPARABLES

Retail market comparables for newly-renovated adaptive reuse space and new construction exist primarily along the E. Burnside corridor and near SE Water Avenue on the industrial riverfront. Newly-constructed retail space in the district is largely limited to spaces that are attached to new residential or office development. The majority of comparable retail space can be found in adaptive reuse projects, and market rents will vary for these spaces based on building character, level of finish, and square footages. However, given the current space available on the market and the increase in office, industrial

and residential development in the district, a conservative estimate of \$21/SF NNN for micro retail (<800 square feet) and \$18/SF NNN for larger restaurant space is made for the purposes of the Eastside Central pro forma.

CENTRAL EASTSIDE HOUSEHOLD RETAIL SPENDING 2012



RETAIL MARKET COMPARABLES

					
bSide6	726 SE 6 th St.	711 SE Ankeny St.	626 SE Main St.	531 SE 14 th St.	107 NE Grand Ave.
\$22-24/SF NNN	\$16/SF NNN	\$18-20/SF NNN	\$18-24/SF NNN	\$18-24/SF NNN	\$18-24/SF NNN
Mixed-Use/New	Retail/Adaptive	Retail/Adaptive	Retail/Adaptive	Mixed Use/Adaptive	Retail/Adaptive

OFFICE MARKET

The Urban Land Institute listed Portland as a “Market to Watch” in the 2014 Emerging Trends Report. In Cushman & Wakefield’s Marketbeat Office Snapshot (Q4 2013), Portland’s office market fundamentals are expected to continue to improve, as confidence in the Portland market as job growth increases and the city re-emerges of as a hub for tech-oriented businesses. As one of the tightest office markets in the country, Johnson Economics reports that Portland CBD’s vacancy and lease rates are moving in a positive direction.

EMPLOYMENT GROWTH

The performance of the office market is tied closely to the employment growth opportunities in a region. According to the Portland Economic Opportunity Analysis (EOA), conducted in 2012, the Central Eastside out-performed the overall Central City area with annual job gains of nearly 3% per year between from 2000 to 2008. The Central City Commercial geography grew 0.1%, which is estimated to be the same rate that employment increased citywide over the same period. The EOA states that forecasts indicate there is demand for an additional 9,000 jobs to locate within the Central Eastside from 2010 to 2035.

Furthermore, Portland-Vancouver-Hillsboro MSA has observed persistent growth in employment in

recent years and, although more volatile than both the national and state unemployment rates, had unemployment remain steady at 6.6 percent in December on a seasonally adjusted basis. Oregon’s unemployment rate in December was 7.0 percent, slightly higher than the national rate of 6.7 percent.

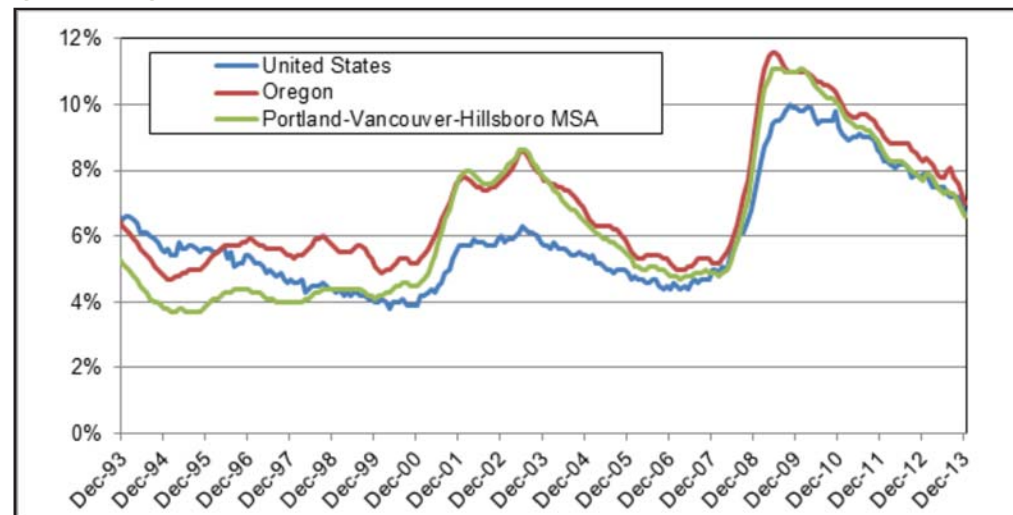
With a focus from the City of Portland to encourage economic development in the area and with nontraditional tenants flocking to this district, job growth in the Central Eastside is poised to continue

outpacing the employment growth in other areas of the Central City.

DEMAND

As cities have shifted to promote more knowledge-based economies, tenants taste in what an office space should include has slowly begun to transform as well. Portland has observed a change in the types of tenants (creative, startups, techies, etc.) who are increasingly demanding creative spaces who are willing to pay above market for Class B creative space.

UNEMPLOYMENT RATE



Source: Bureau of Labor Statistics and Oregon Office of Economic Analysis

The Central Eastside is what the EOA labels as the “incubator” area and is distinguished from heavy industrial districts. According to the Portland EOA report, a key demand finding is that the ‘hot spot’ locations where job growth is occurring within the City have shifted in recent years. The focus of added Central City job gains has shifted from the traditional downtown core toward adjacent areas in the River and Lloyd commercial / mixed use districts and the emerging incubators of the Central Eastside and Lower Albina.



Example of creative office: Twitter, San Francisco, CA

Moreover, 2010-2035 job growth potential: 11,000 net new jobs with a significant share (75%) likely to be met by office flex space and institutional uses. Growth capacity: This geography [Lower Albina and Central Eastside] has an overall shortfall of development capacity of vacant and underutilized sites, equivalent to only 40 % of forecast demand. An additional development capacity is needed. As the demand of office space within the Central Eastside is only forecasted to strengthen, sites in the district will need to identify opportunities to transform to accommodate and capitalize on this demand.

MARKET RENTS

Based on the office market comparables (next page) and the data collected during conversations

with representatives from Killian Pacific, Johnson Economics, and the City, the average asking rental rate for Class B creative office space for emerging small businesses in the Central Eastside is from \$22 to \$24 NNN.

VACANCY RATE

The vacancy rate for office space in all classes in the Portland Metro area is the lowest in the Central Eastside at 5.5%. The CBD stood at 9.2% at the time of the same reporting in Q4 2013, according to Jones Lang LaSalle.

PROFILES OF TENANTS

As described in the Analysis of Market and Economic Conditions Portland's Close-In Eastside prepared for the Portland Development Commission, the district is in fact becoming an increasingly popular employment area for both existing companies in the region and for startup ventures. Firms moving from outside the district were overwhelmingly professional services firms. These were most commonly creative industries including advertising, design, media, and computer programming firms. They tended to gravitate toward flexible office/industrial office types

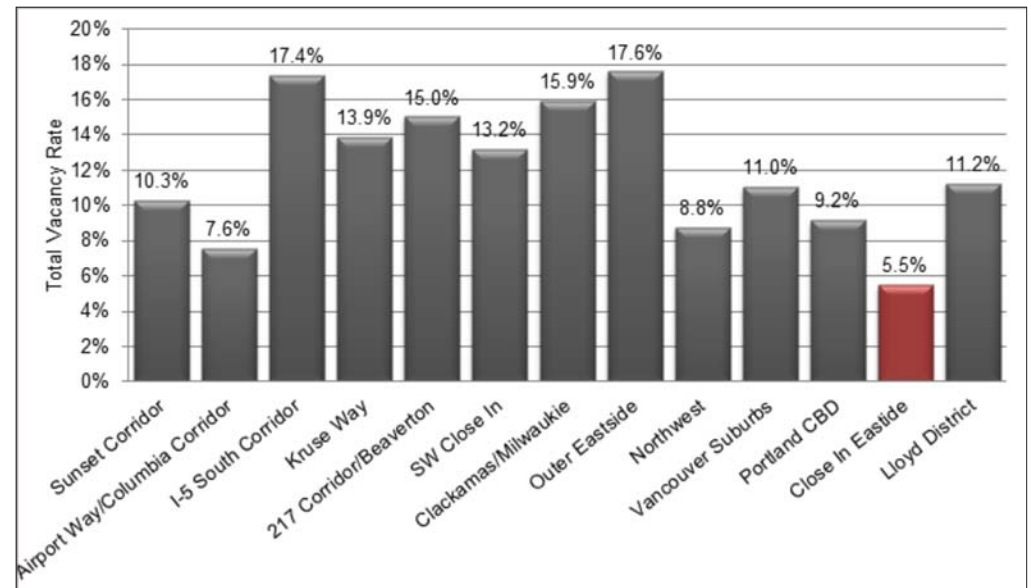
In effect, incubator space and incubator districts represent an increasingly important hybrid or cross over product between traditional office and industrial-service segments of employment building space spectrum.

SPACE SIZE

“Central City Incubator: The incubators areas of the Central Eastside and Lower Albina districts have a strong demand for building space, especially for emerging small business that are seeking cheaper, Class B office space that account for about 48% of the employment growth. The buildable land supply only covers 40% of the demand. Even if the City of Portland could reduce all of the constraints in this geography, the base supply is not sufficient to meet the demand. To effectively overcome the shortfall, additional capacity should be targeted to the specific demand opportunities of the incubator geography, particularly for Class B/C office and flex space development attractive to cost-conscious tenants. Additional development capacity could be provided through rezoning, such as to expand allowances for industrial office development, and/or incentives to leverage higher rates of redevelopment (Portland EOA pg 33).”

Establishments in industrial space-utilizing industries generally require spaces smaller than

PORTLAND METRO OFFICE VACANCY RATES



Source: Jones Lang LaSalle Q42013

OFFICE MARKET COMPARABLES

					
Olympic Mills Commerce Center	Water Avenue Commerce Center	Eastbank Commerce Center	Ford Building	D Street Village	Jimmy's Tire Bldg
107 SE Washington St., Portland, OR 97214	1028 SE Water Ave., Portland, OR 97214	1001 SE Water Ave., Portland, OR 97214	2505 SE 11th Ave., Portland, OR 97202	3050 SE Division St., Portland, OR 97202	1100 SE Division St., Portland, OR 97202
\$ 22 - \$ 25 NNN	\$ 22 - \$ 25 NNN	\$ 23 - \$ 25 NNN (except janitorial)	\$19.80 - \$ 24 NNN	\$22 NNN	\$ 21 - \$ 24 NNN

7,500 SF. Accounting for two-thirds of space demand. Office space-utilizing firms were heavily weighted toward smaller spaces. Nearly 20% of office users required less than 1,000 SF while over 70% fell in the 1,000 to 5,000 SF spaces while 16% required better than 10,000 SF.

Office Size	% Office Space-utilizing Firms
<7,000	~67%
<1,000	~20%
>10,000	16%

PROJECTS IN THE PIPELINE

1510 SE Water Avenue (44,000 RSF) – Killian Pacific has pre-leased this project to Viewpoint Construction Software, formerly Coaxis. The building is expected to accommodate 150 to 200 additional professionals and be completed in the third quarter of 2014.

240 SE Clay (70,000 SF) – Killian Pacific has not commenced construction for this site, but are actively marketing for pre-leases.

PARKING

The Central Eastside Industrial District (CEID) has a long history of slow change. As the current market cycle swings to its height, more and more developers eye the Central Eastside Industrial District. In response to this, current tenants have voiced concern over how change will affect them; as a result parking has become a hot button item.

In the whole of the CEID there are 14,605 parking stalls, of these 6,324 are on street and the remaining 8,281 are off street. A 2011 study by Rick Williams Consulting on the parking supply and usage of the CEID demonstrated how these parking spots were put to use. At peak demand, from noon until 1PM parking across the CEID reaches a max occupancy of approximately 76 percent. This leaves 842 stalls available during peak usage.

The study also outlined an area that overlays the Eastside Central development. This area is outlined by SE Oak St to the North, SE Morrison St to the south, SE 1st Ave to the West, and SE 12th Ave to the East. Within this area there are a total 1,702 parking stalls, with 981 being on street parking and 721 being off- street parking (654 of which are private). During peak usage occupancy stands at 75 percent for an average stay of 3 hours and 10 minutes and a violation rate of 31.9 percent. From this information it can be gleaned that the parking supply

in the area around the Eastside Central can easily meet the current demand and the regulations over the parking are either inappropriate per user need or woefully disregarded.

As the neighborhood continues to develop, the demands for parking will increase and it is doubtful that without direct and intentional action that the tension based on a perceived lack of parking will subside. Adding to this are current parking regulations. Per Title 33.510.265 of the Central City Plan District, office parking is limited to 2.5 per 1,000 and has stringent limitation on how it can be mixed with other parking. For example, while residential parking has no limit, it cannot be mixed with other forms of parking. Of particular concern is the fact that residential parking cannot be mixed with short term cash visits (pay parking). Though the spirit of these regulations is to help encourage alternative modes of transportation, by setting strict maximums and by not allowing intermixing, the city is indirectly fueling tensions based on parking by stimulating an artificial level of parking inefficiency to an already under managed neighborhood. Furthermore, beginning in September of 2015, as the Central Loop is finalized, all parking in the CEID will be managed through metered parking.

RESIDENTIAL MARKET

The apartment market in Portland continues to be very strong. Basic economic principles of supply and demand are driving the boom in residential construction, but there remains an overall shortage in supply due to the slowdown in new apartment building that occurred after the economic recession of the late 2000s. According to the Fall 2013 Metro Multifamily Housing Association (MMHA) report, Portland's population continued to grow at a rate of 1.3% annually. As the economy has recovered, demand has increased, and employment has grown 2% from 2012 to 2013. Private sector economic growth was over 3%. Therefore, while building has increased, new construction has not occurred fast enough to keep up with rising demand.

These favorable conditions have created a thriving market for apartments, and developers have been quick to respond. In late 2012 and 2013, 5,369 units in 55 projects were introduced to the market. Another 5,094 units in 49 projects are under construction and scheduled for completion between late 2013 and 2014. It is expected that 10,000 to 12,000 units will be completed between 2014 and 2015 (The Barry Report).

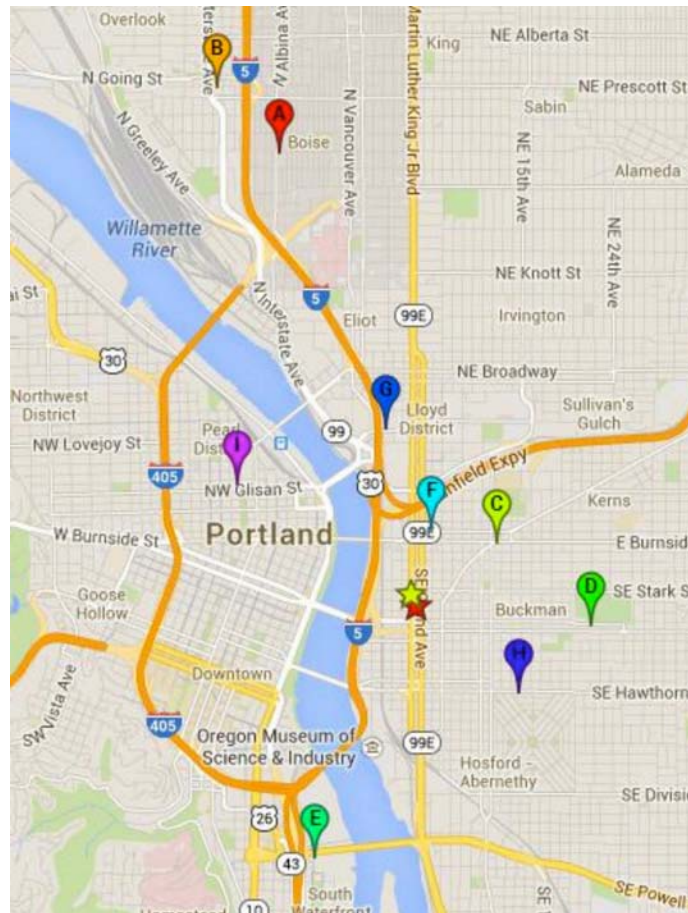
There are questions with regard to how this influx of units will impact the market. Rents have seen a healthy increase of about 6-7 percent since 2010. It appears that this increase has slowed slightly, as the expected increase in rent through the end of 2014 is about 5%. However, continued influx of units is only anticipated to have a short term effect, slowing the rental growth rate while vacancy rates are expected to remain low. Overall, the apartment market should remain strong over the next few years.

The apartment market is particularly strong in Portland's urban core. The urban lifestyle appeals to a variety of people including recent empty nesters, young professionals, retired baby boomers and transplants. To compensate for the demand, many

RESIDENTIAL UNITS IN PIPELINE










	Proposed	Under Construction	Complete	Total
North Portland	965	789	156	1,910
Close in East Portland	2,040	1,647	690	4,377
Close in West Portland	3,688	664	1,424	5,776
Suburban West	3,929	1,133	1,061	6,123
Suburban East	397	168	57	622
Suburban South	853	367	1,136	2,356
Clark County	442	326	845	1,613
Total	12,314	5,094	5,369	22,777
Number of Projects	85	49	55	189

RESIDENTIAL COMPARABLES LOCATION



of the condos built in the 2000s were converted to apartments during the economic downturn. Additionally, developers became hesitant to build condos or townhomes due to tighter financing and liability issues. Consequently, there are a lack of ownership options in the urban core, and apartments tend to be the only option for most residents.

RESIDENTIAL COMPARABLES

A		Tupelo Alley # of units 188 Rent SQ FT \$2.23
B		The Prescott # of units 155 Rent SQ FT \$2.27
C		Linden # of units 132 Rent SQ FT \$2.15
D		2121 Belmont # of units 132 Rent SQ FT \$2.15
E		The Emery # of units 118 Rent SQ FT \$2.58
F		Central Eastside Lofts # of units 70 Rent SQ FT \$2.41
G		Milano # of units 60 Rent SQ FT \$2.16
H		The 20 on Hawthorne # of units 51 Rent SQ FT \$2.41
I		Honeyman Lofts # of units 100 Rent SQ FT \$1.90

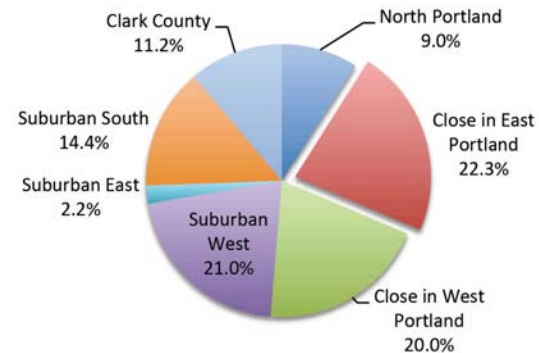
The residential development potential of the Central Eastside is considerable. The district lies within the urban core, but hasn't been fully developed like some downtown Portland or the Pearl District. Currently, only 9% of the buildings in the Central Eastside are residential. With the limited supply of land close to the CBD, this area will be a hot spot for developers to pursue. Currently this submarket has the lowest vacancy rates and the highest number of proposed projects coming online in the next couple of years.

The residential properties indicated on the map on the previous page represent comparable multifamily communities located throughout Portland. The Central Eastside is predominantly an industrial district and has seen minimal residential development. Therefore, the comparable properties listed are newer development complexes in Portland's inner Southeast, Northeast and Southwest waterfront neighborhoods that are similar to the proposed project in terms of size, amenities, apartment unit characteristics, neighborhood characteristics, and proximity to transit and the Central Business District.

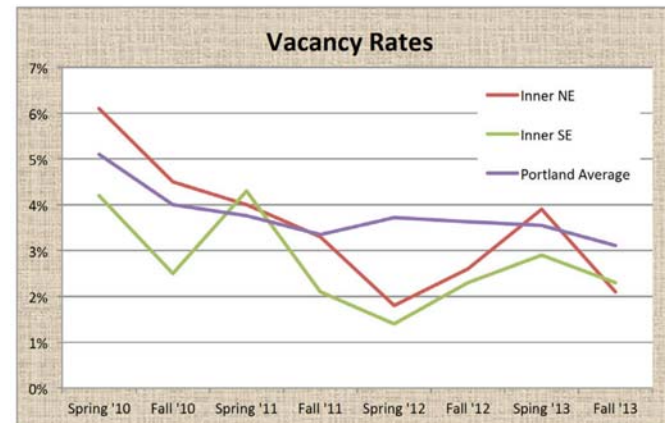
The average rent of eight comparable buildings is approximately \$2.27/SF. While the average rate from the comparables is a good benchmark, other factors were also considered when calculating estimated rent prices. For example, rent tends to be higher closer to the central business district, which would indicate higher rental rates for the Eastside Central development. Additionally, the Eastside Central contains 3 bedroom and true loft units, unit types for which there is a current lack of supply. It is anticipated that these units may draw a premium, so this also would indicate a higher than average price compared to historical rents in the district. On the other hand, the project's studio units are larger than average, so while the listed rent may indicate a higher total price than some comparables, the \$ / SF is actually lower for these units.

The phase one residential development for the assumes an average rent price of \$2.32/SF. An average rent price of \$3.08/SF was assumed for block 4 which took into account a 4% per year inflation to correct for the timely phasing of this residential block.

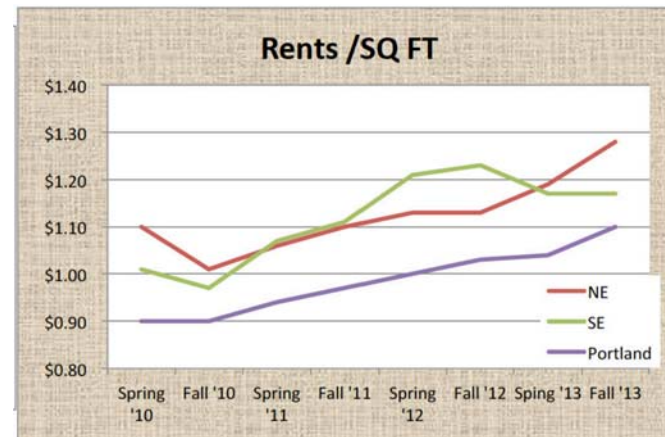
TOTAL RESIDENTIAL UNITS (EXISTING/UNDER CONSTRUCTION)



The Barry Report, Fall 2013



Metro Multifamily Housing Association, 2010-2013



Metro Multifamily Housing Association, 2010-2013

DEVELOPMENT OBJECTIVES

The Eastside Central development is a unique opportunity to create a dynamic and catalytic project in the heart of Portland's Central Eastside. The key objectives for the project include:

1. Creating a cohesive development plan where the different projects on each block support the growth of the district while balancing risk and responding to the area's demand for different uses.
2. Adhering to a conscious development schedule, allowing the owner to continue generating revenue during the planning phase according to the current space leases, and aligning the product deliveries with market demand for each use.
3. Generating a supportive use between retail, creative office and residential housing development.
4. Proposing creative office uses to generate interest for current industrial users in the area, which may help to support the development permitting process.
5. Retaining anchor tenants that have already established a positive commercial presence in the area, and promoting complementary business uses to occupy new adjacent spaces.
6. Promoting a long term strategy to develop and hold projects while acknowledging the historical value of the area and honoring it by preserving structures that maintain the area's industrial character.
7. Proposing creative programs and uses that have been proven in other cities but have not been implemented in Portland yet (such as the restaurant/retail marketplace).
8. Building quality structures with energy efficient features in the pursuit of a triple-bottom-line approach, and endorsing smart green measures that improve building performance while reducing long term operational costs.

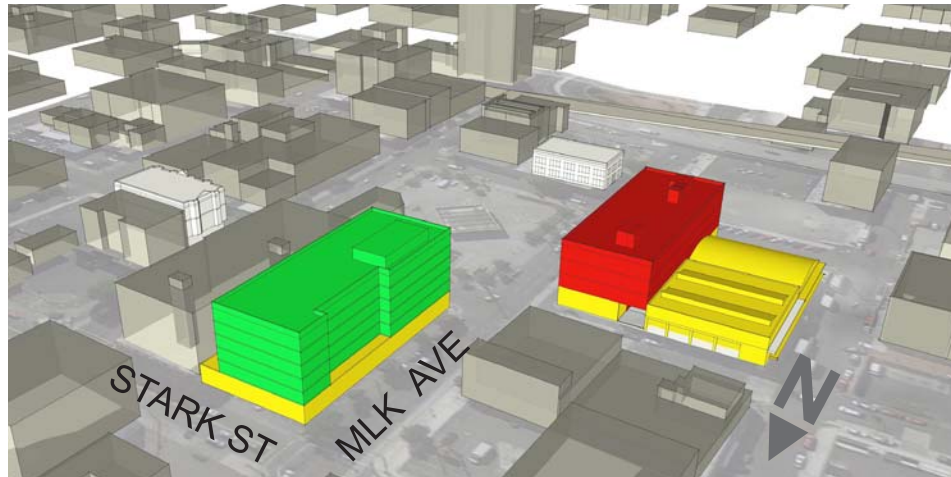


Portland's Central Eastside district is something special, thinks a group of Urban Land Institute Fellows which is comprised of out-of-town developers, city planners and chamber of commerce. Portland is one of four cities selected to participate in an Urban Land Institute fellowship program in 2013-14. The others are Indianapolis, Memphis and Honolulu.

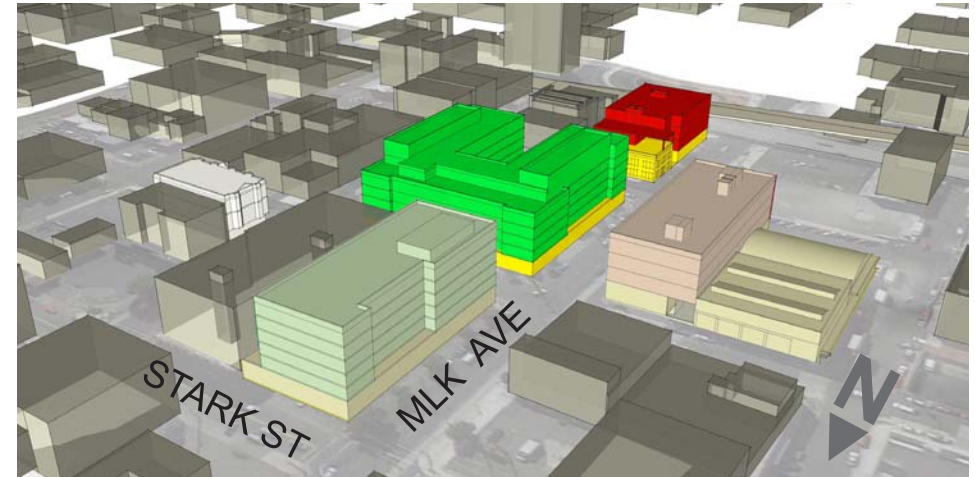
Oregonian, February 13, 2014

DEVELOPMENT PROGRAM

PHASE 1: ENTREPRENEURIAL SANDBOX



PHASE 2: SCALING UP



PROGRAM SUMMARY

	PHASE I				PHASE II			TOTAL
	BLOCK 1	BLOCK 2	BLOCK 3		BLOCK 4	BLOCK 5		
SITE AREA	19,200	15,000	36,000		38,000	15,000		123,200
			Existing	New		Existing	New	
# UNITS	64				158			222
# OF PARKING STALLS	39	20		37	214		15	325
AREA DESCRIPTION								
Parking	8,143	10,000		18,000	74,400		4,961	115,504
Retail	7307	4000	19790	9648	20393	10636	3115	74889
Residential	52378	9000			118913			180291
Industrial Office				36046			20559	56605
Industrial / Entertainment			4458					4458
Common Area	4028	1200	6881	12030	29178		7840	61157
Non- Leasable	4107	800	600	5116	8310		2222	21155
Sub-total no parking	67,820	15,000	38,695	62,840	176,794	10,636	33,736	405,521
Sub-total including parking	75,963	25,000	38,695	80,840	251,194	10,636	38,697	521,025
Construction Cost	\$ 10,224,407	\$ -	\$ 6,848,872	\$ 12,480,479	\$ 35,491,707	\$ 1,168,205	\$ 6,470,313	\$ 72,683,982
Cost / Sf	\$ 134.60		\$ 177.00	\$ 154.38	\$ 141.29	\$ 109.83	\$ 167.20	\$ 139.50



MASTER PLAN DEVELOPMENT PHASING:

PHASE 1

Block 1: Introducing close-in residential to meet the rapid demand for centrally located housing

Block 3: Creating an place for entrepreneurs to connect, collaborate and start business.

Block 2: Preserving existing historic building.

Street Upgrades: Improving the safety and walkability of the neighborhood with street trees and sidewalk bumpouts.

PHASE 2

Next Development Cycle

Block 4: Expanding residential uses in the neighborhood

Block 5: Attracting and providing more space for businesses to grow.

KEY POINTS:

- **Two Phase Development**
- **Preserve all historic or substantial structures**
- **Strengthen business/retail corridors along MLK and Grand**
- **Introduces desired uses to the district**

DEVELOPMENT PROGRAM

PHASE 1: ENTREPRENEURIAL SANDBOX

Channeling the best of the Central Eastside and exploring new uses

BUILD ON THE SUCCESSES

Phase 1 is to build on the successes of the neighborhood. The most successful and productive areas of the district are places where work places are in close proximity to social places like coffee shops, bars and restaurants, often within the same building. Multiple uses in one block generates the dynamism that is attractive to a new generation of entrepreneurs who value the sharing of knowledge and welcome collaboration while living close to where they work.

CREATIVE CENTERPIECE

Block 3 warehouses will be retrofitted to be a hive of activity with vendor market place and distillery/bar tasting room that can function as an event space as well. Above the market in a mezzanine will have creative office space. The basements will be utilized as beverage production as a nod to the areas industrial character and add authenticity to the block. The eastern portion of the site will have ground floor retail with creative offices above and parking garage below. A modest size parking garage is feasible

because underneath the southeast portion of the site is a basement warehouse, thus reducing the cost of excavation and building retaining walls.

A CASE FOR RESIDENTIAL

Few residential options are available for those who desire to live in the neighborhood. The idea is to create a small scale 24-hour neighborhood to meet the demands of the Central Eastside currently. The number of units will not overburden the market, but will provide the last piece of synergy in this mixed-use development.

NEIGHBORHOOD IMPROVEMENTS

With the development of Block 1 and 3, the monies for transportation SDCs could go to making MLK Jr. Blvd. a more safe and walkable street, by providing sidewalk bump outs, street trees to calm traffic and designated cross walk locations. This will help alleviate the perceived barriers to crossing the highway 99 couplet.

TAKING CARE OF BUSINESS: CREATIVE OFFICE (BLOCK 3)



EASTSIDE CENTRAL PIONEERS: RESIDENTIAL (BLOCK 1)



The challenge for the city of Portland, identified by Mayor Hales and his team, is to build on the success of the CES in retaining existing businesses while attracting new ones.

PHASE 1

MEET, GREET AND FEAST: VENDOR MARKETPLACE (BLOCK 3)



PHASE 1

BLOCK 1:

GROUND FLOOR RETAIL AND 64 HOUSING UNITS

Site Area: 19,200 SF
Existing Zoning: EXd
Plan District: Central City

EXISTING ZONING STANDARDS:

Max FAR: 3:1
Max Height: 65'
Min Setback: 0'
Max Setback: 10' at Transit Street
Max Bldg: Cov.: 100'
Min Landscape: None

PLAN DISTRICT STANDARD:

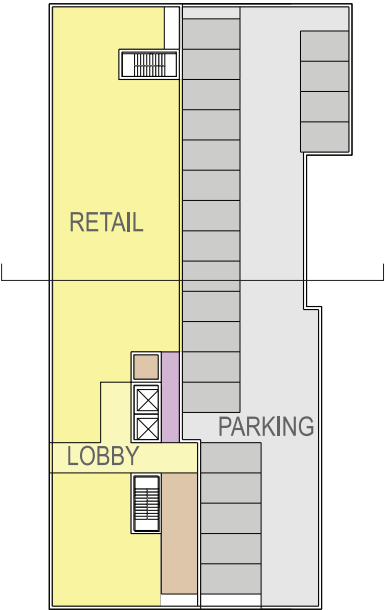
Max FAR: 6:1
Max Height: 100 (Housing Bonuses Eligible)

DESCRIPTION:

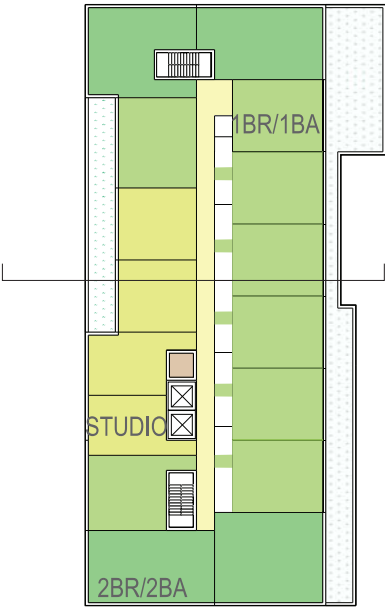
New Type 5 Construction above Type 1 construction on ground floor

PLANS

FIRST FLOOR



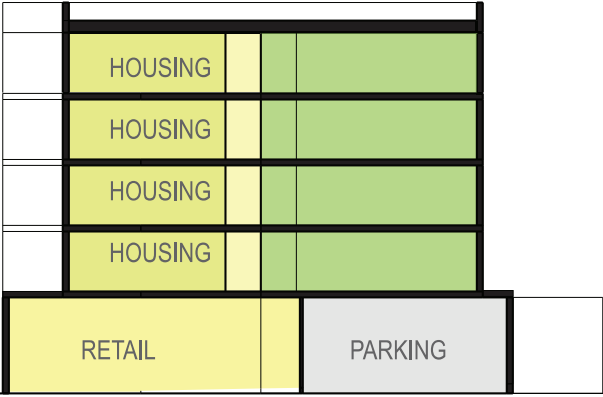
TYPICAL FLOOR

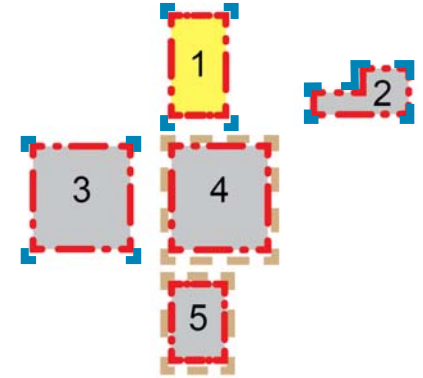


SECTION

UNIT MIX AND SIZE:

	Units	Ave. SF	Unit Mix
Studio	16	597	25%
1BR/1BA	32	710	50%
2BR/2BA	16	994	25%
Total	64	767	100%





KEY FEATURES

- 7,000 SF Ground floor retail
- 39 Parking space (34 Mechanical + 5 Surface)
- 64 Residential Units
- Roof patio and roof top amenity room



PHASE 1

BLOCK 2:

CHIC URBAN 24-HOUR DINER

Site Area: 19,200 SF

Existing Zoning: EXd / IG1

Plan District: Central City

EXISTING ZONING STANDARDS:

Max FAR: 3:1

Max Height: 65'

Min Setback: 0'

Max Setback: 10' at Transit Street

Max Bldg. Cov.: 100'

Min Landscape: None

PLAN DISTRICT STANDARD:

Max FAR: 6:1

Max Height: 100 (Housing Bonuses Eligible)

DESCRIPTION:

Minor tenant improvements to a historic building.

In a city that is known for its breweries, burgeoning liquor distilleries, coffee roasters and top notch restaurants, 24-hour hotspots are oddly lacking. While daytime and early evening options are plentiful, night owls, revelers and students studying into the night have to crowd the few limited-menu late-night options in the city or drive out the suburbs to get a full meal.

The historic Barber building is the perfect location to combine the city's best elements near one of Portland's growing nightlife areas. This retail concept will include a 24-hour diner that offers locally-roasted coffee, a bar with microbrews and liquors from distillery row, and award-winning breakfast food around the clock. Bringing the classic diner into a modern context, this addition to the Eastside Central will create a fun meeting place that never sleeps.

KEY POINTS:

- Preserves historic building
- Showcasing the best Portland has to offer: food, coffee and drinks at all hours



Barber Block Exterior



Barber Block Interior

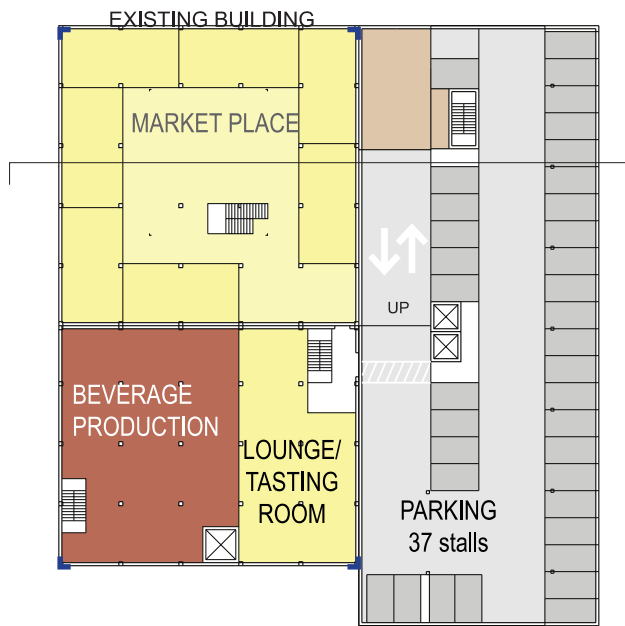
PHASE 1

A PLACE FOR EVERYONE'S TASTES: 24-HOUR DINER AND BAR (BLOCK 2)



PHASE 1
BLOCK 3
PLANS

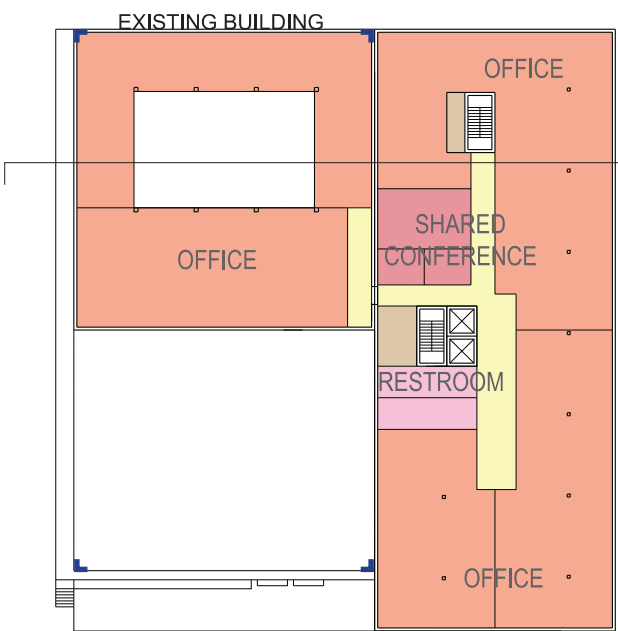
LOWER LEVEL



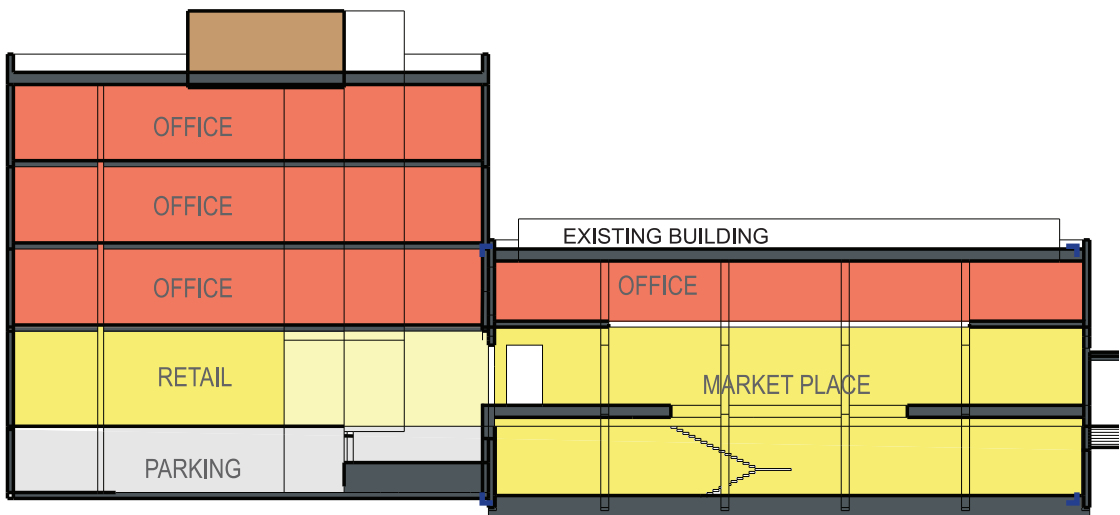
FIRST FLOOR



SECOND FLOOR



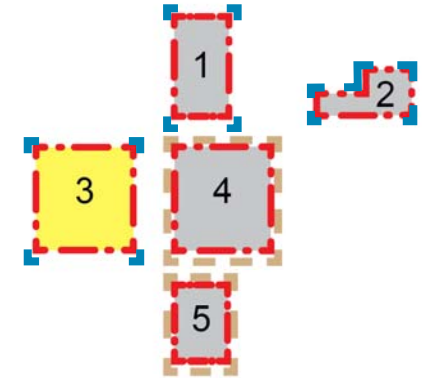
SECTION





KEY FEATURES

- 7,500 SF Restaurant Space
- 19,500 SF Food oriented market place
- 8,000 SF Flag ship retail
- 37 Below-grade parking spaces
- 50,000 SF Creative offices space w/conference rooms
- 1,500 SF Basement Bar Lounge
- 6,000 SF Distillery/ Wine production/storage
- 1,500 SF Hardscape Plaza



BLOCK 3

ENTERTAINMENT / RETAIL / INDUSTRIAL OFFICE

Site Area: 36,000 SF
Existing Zoning: EXd / IG1
(assume Zone change to EX)
Plan District: Central City

EXISTING ZONING STANDARDS:

Max FAR: 3:1
Max Height: 65'
Min Setback: 0
Max Setback: 10' at Transit Street
Max Bldg: Cov.: 100%
Min Landscape: None

PLAN DISTRICT STANDARD:

Max FAR: 9:1
Max Height: 200'
(Housing bonuses eligible)

DESCRIPTION:

Renovation of Existing Warehouses and basement, below grade parking structure, New Type 1 construction ground floor, Type 4 Construction.

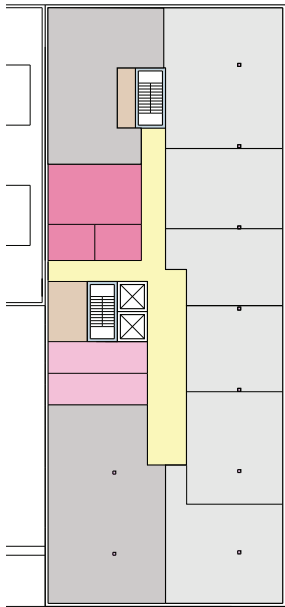


START-UP SPACE: THE OFFICE

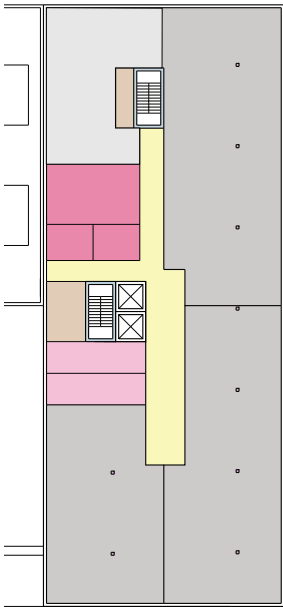
Flexible workspaces for fast-paced industries.



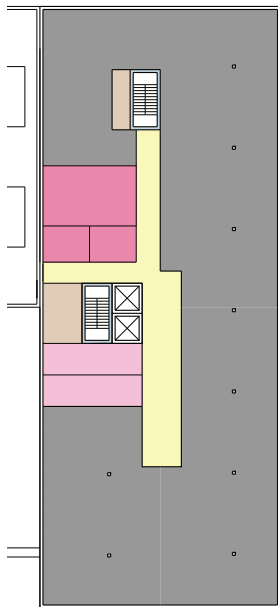
MULTI-SMALL TENANTS



MULTI-TENANTS



SINGLE-TENANT



	SF	suites	Ave.size		SF	suites	Ave. size		SF	suites	Ave. size
Small	7,659	6	834	Small	-	-	-	Small	-	-	-
Medium	3,893	2	1,947	Medium	1,483	1	1,483	Medium	-	-	-
Large	-	-	-	Large	10,307	3	3,436	Large	11,790	1	11,790

START UP SPACE: THE MARKET

An open market concept with produce vendors and start-up restaurants.



BATCH PRODUCTION AND TASTING

A unique facility that connects beverage production with tasting.



DEVELOPMENT PROGRAM

PHASE 2: SCALING UP

Build on successes and maximize uses

PATIENCE

The Burns Brothers has an advantage of waiting for the market prices to meet the sites potential. Phase Two is envisioned to happen in the next development cycle, once the area has been established. Patience has an added benefit of being flexible with what uses the Burns Brothers chooses to expand first.

MID-SIZE COMMERCIAL OFFICE

A mid-size commercial office would be most suitable on Block 5, its location offers high visibility, especially important for a business seeking to brand its image with the area.

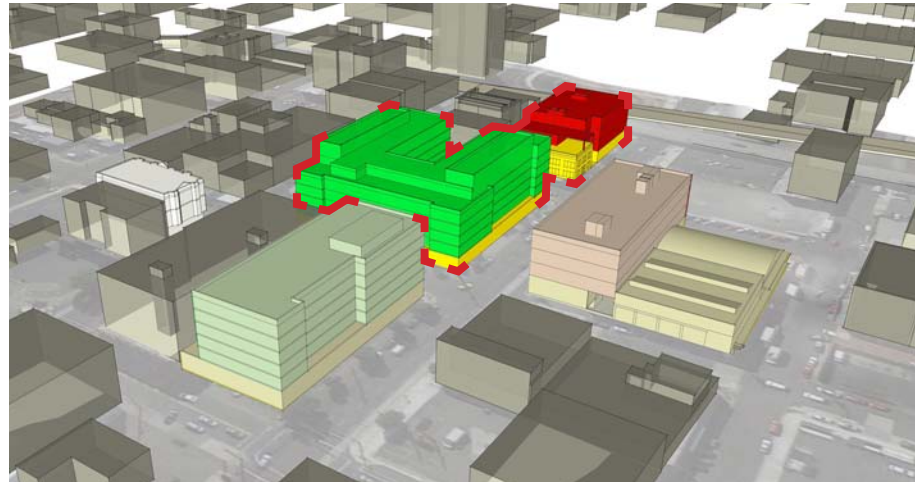
LARGE RESIDENTIAL BLOCK

The completion of a medium size residential building on Block 1 offers real time information rental prices that inform the viability and profitability of residential uses in the neighborhood. The information could be used to reduce the risk of developing a larger scale residential product as well as to time the development accordingly.

COMMERCIAL PARKING

Both residential and commercial office use density are constrained by limited parking configurations and options.

Once the area is buzzing, the demand for parking cannot be ignored. With street parking managed in 2015, it could make commercial parking viable. Due to the spatial requirements the most efficient block to accommodate commercial parking is Block 4. Each plate of parking on Block 4 can accommodate approximately 100 parking stalls, Block 4 also is at the center of the development and the only development with easy access from the Highway 99 couplet. The parking garage can serve as parking for the entire neighborhood including employee parking of nearby industrial uses as well.



BLOCK 4 ALTERNATIVE

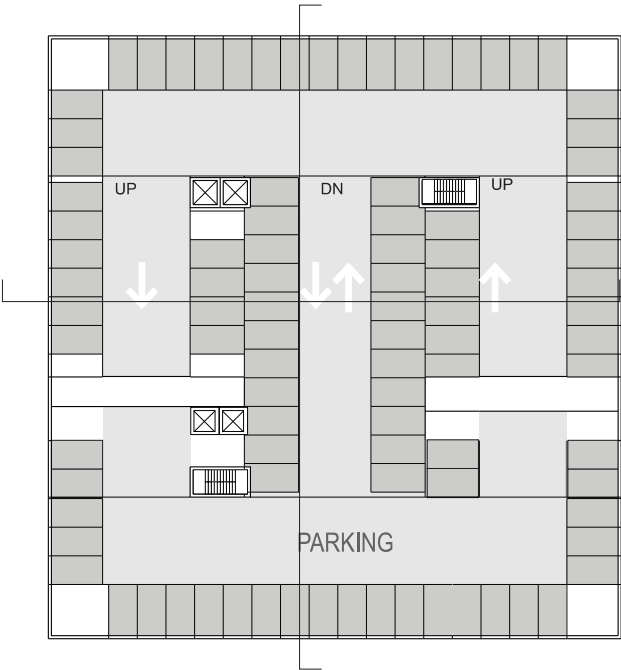


PHASE 2: ROOM TO GROW

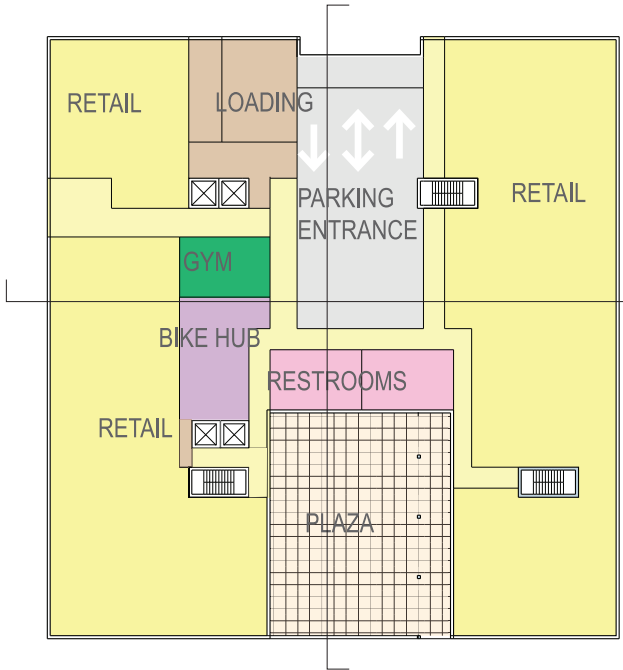


PHASE 2 BLOCK 4 PLANS

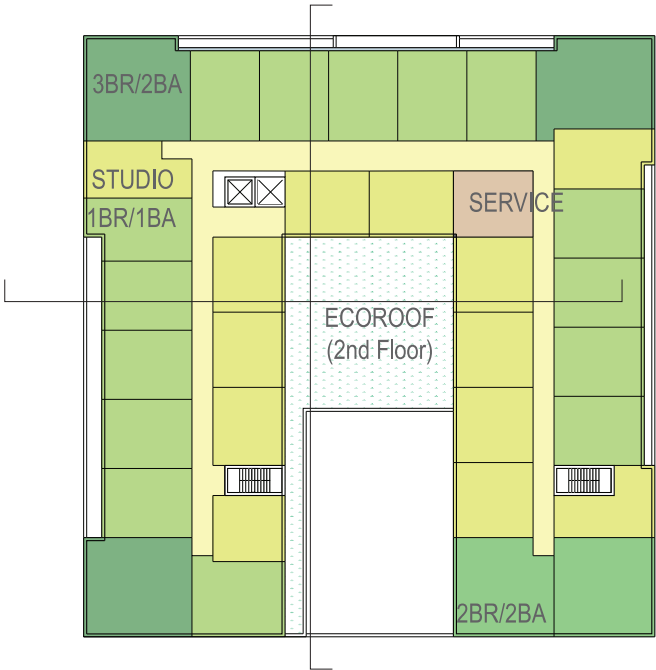
TYPICAL LOWER LEVEL



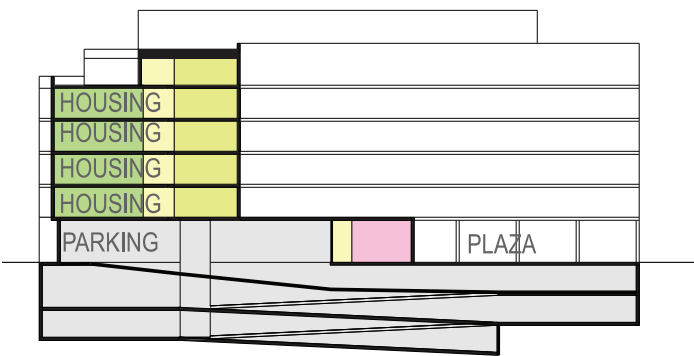
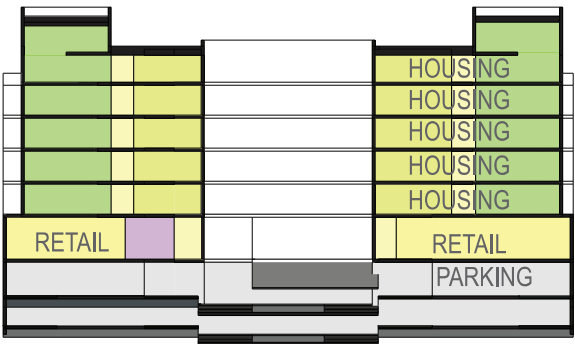
FIRST FLOOR



TYPICAL FLOOR



SECTION



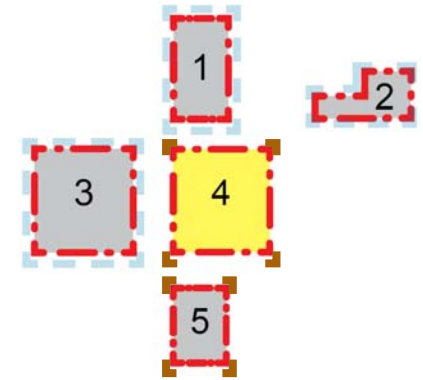
UNIT MIX AND SIZE:

	Units	Ave. SF	Unit Mix
Studio	58	607	37%
1BR/1BA	61	686	39%
2BR/2BA	14	981	9%
3BR/2BA	13	1169	8%
Studio Lofts	3	806	2%
1BR Lofts	9	989	6%
Total	158	758	100%



KEY FEATURES

- 20,000 SF of Commercial Retail
- 100 Commercial Parking Spaces
- 158 Residential Housing Units
- 100 Residential Parking Spaces
- Roof Patio and Amenity Deck
- Commercial Retail Plaza
- Comparatively larger units for families and roommates
- Unique loft style units



BLOCK 4

GROUND FLOOR RETAIL AND 158 HOUSING UNITS

Site Area: 38,000 SF
Existing Zoning: EXd (Central Employment w//design Overlay)
Plan District: Central City

EXISTING ZONING STANDARDS:

Max FAR: 3:1
Max Height: 65'
Min Setback: 0
Max Setback: 10' at Transit Street
Max Bldg. Cov.: 100%
Min Landscape: None

PLAN DISTRICT STANDARD:

Max FAR: 9:1
Max Height: 200'
(Housing bonuses eligible)

DESCRIPTION:

New Type 1 construction ground floor, Type 3A Construction. 2 levels of below grade parking.

PHASE 2 BLOCK 5

RETROFIT EXISTING BUILDING AND ADDING OFFICE

Site Area: 15,000SF
Existing Zoning: EXd
(Central Employment w/design Overlay)
Plan District: Central City

EXISTING ZONING STANDARDS:

Max FAR: 3:1
Max Height: 65'
Min Setback: 0
Max Setback: 10' at Transit Street
Max Bldg. Cov.: 100%
Min Landscape: None

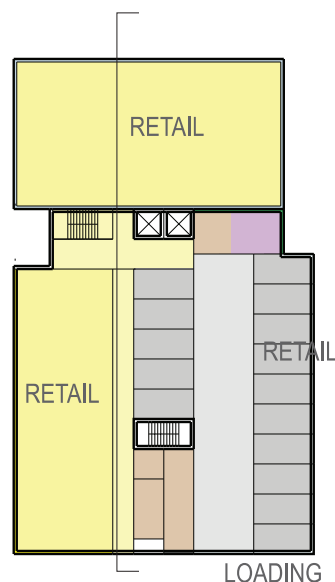
PLAN DISTRICT STANDARD:

Max FAR: 9:1
Max Height: 200'
(Housing bonuses eligible)

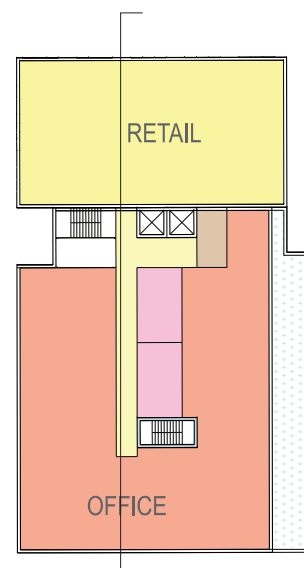
DESCRIPTION:

Renovation of Existing building. New Type 1 construction ground floor, Type 4 Construction.

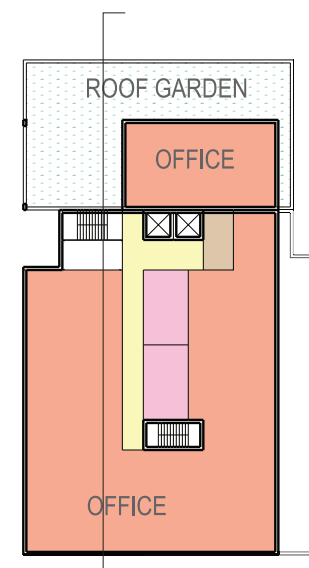
FIRST FLOOR



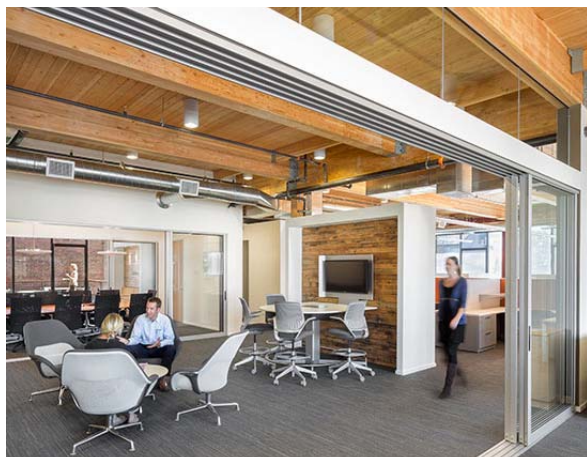
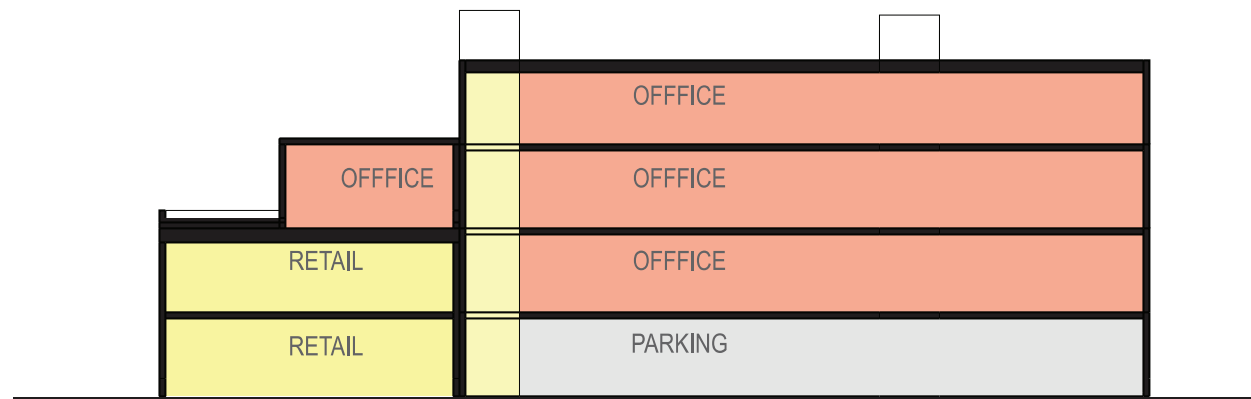
TYPICAL FLOOR



3RD FLOOR



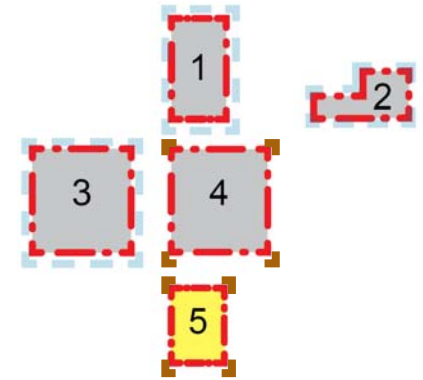
SECTION



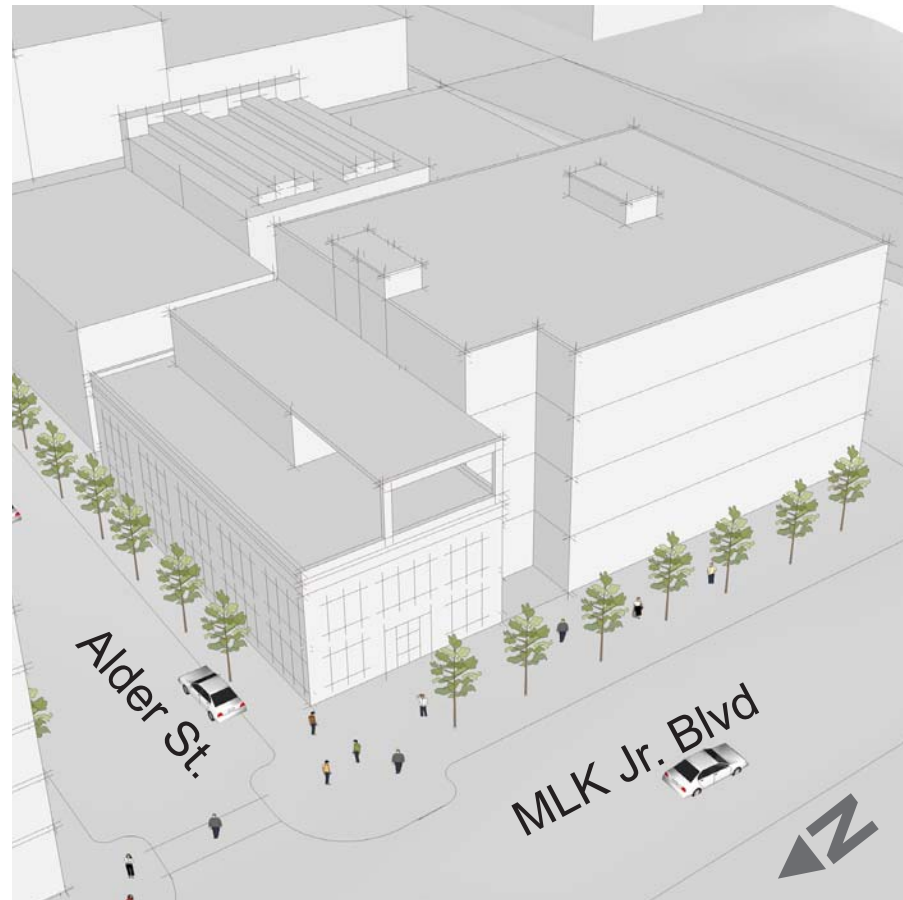
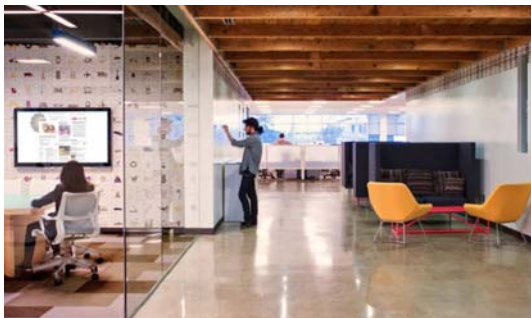


KEY FEATURES

- 20,000 SF of Commercial office space
- Unique roof top office amenity deck
- High Visibility from Morrison and Grand
- Ideal for Mid-size Corporate office.



BLOCK 5



BUILDING CONSTRUCTION COMPARABLES



BLOCK 3 COMPARABLE

Jean Vollum Natural Capital Center (Ecotrust)

Portland,OR

Contract: \$6.6m	Completed June 2001
Owner: Ecotrust	Architect: Holst Architecture

- 60,000 sf of historic building renovation
- Complementary uses: restaurants, retail, office and event space
- 1st historic renovation to obtain LEED Gold



BLOCK 4 COMPARABLE

The Ramona Apartments

Portland,OR

Contract: \$30.5m	Completed April 2011
Owner: Nurture 247 LP	Architect: Ankrom Moisan Associated Architects

- 5 over 2 (wood frame over concrete structure)
- 230,000 sf / 138 residential units
- Mixed use residential and retail
- LEED Gold



BLOCK 5 COMPARABLE

Mercy Corps International Headquarters

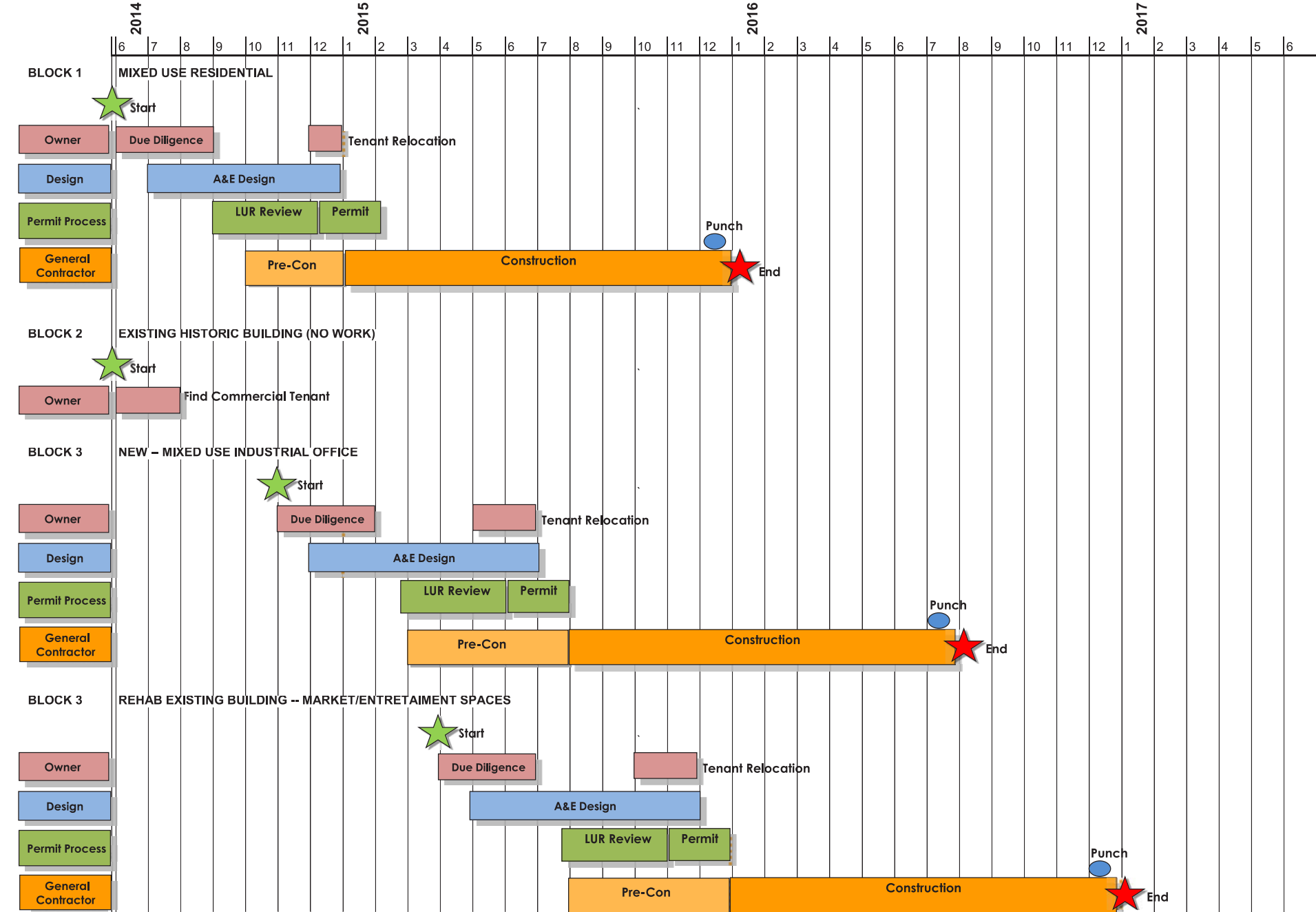
Portland,OR

Contract: \$21m	Completed July 2009
Owner: Mercy Corps	Architect: THA Architecture

- 40,000 sf of existing rehab & 40,000 sf of new building
- Seismic upgrade of unreinforced masonry and new steel and concrete building
- Office use
- LEED Platinum

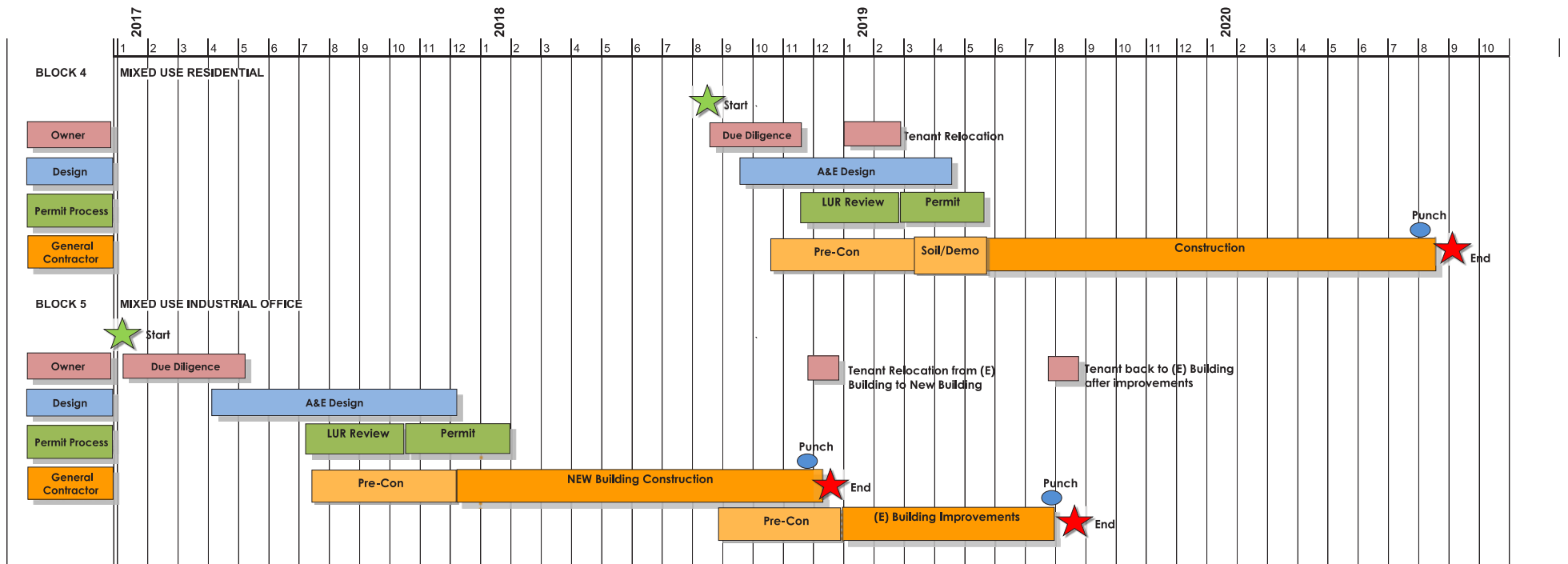
Eastside Central

PHASE I Blocks 1, 2 & 3



Eastside Central

PHASE II Blocks 4 & 5



FINANCIAL PERFORMANCE

ASSUMPTIONS

DEVELOPMENT COSTS

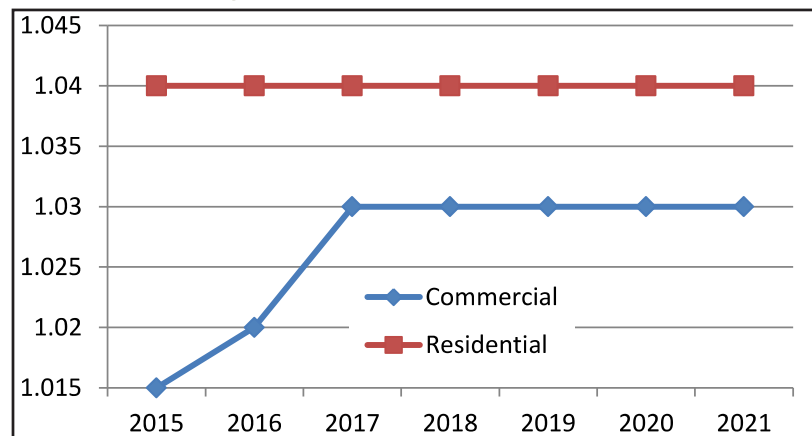
Cost of construction was determined using today's dollars and then an inflation escalation was applied to anticipate costs as phases of the development came on line. Hard costs were determined in consultation with a representative from Walsh Construction and are based on historical averages for the various types of construction. Soft costs were determined through consultation with multiple developers. The costs in the table below are averages, and represent costs per square foot. Costs per square foot specific to individual programs can be found in the Appendix.

	Block 1	Block 3 Existing	Block 3 New	Block 4	Block 5 Existing	Block 5 New
Land Cost	\$75	\$75	\$75	\$75	\$75	\$75
Hard Cost	\$165	\$167	\$170	\$225	\$100	\$186
Soft Cost	\$45	\$58	\$43	\$53	\$35	\$55

INFLATION ESCALATION

Inflation for both construction costs and commercial rents were assumed to be 1.5 percent the first year, 2 percent the second year, and then 3 percent for the remaining years, while inflation for residential rent was assumed to be an even 4 percent for all years. Justification for the residential rent inflation can be found in the Residential Market Analysis section.

RENT INFLATION



FUNCTIONAL ASSUMPTIONS

Vacancy was split between commercial and residential with both categories attaining full occupancy in year 2 at 10 percent and 5 percent vacancy, respectively. Commercial has a first year vacancy of 40 percent and residential 25 percent. 5.5 percent was chosen as the interest rate for the project as a whole. Though it is unlikely that this rate would be the leading rate for the entirety of the two phases, it is reasonable that less than 5.5 percent would cover phase 1 and more than 5.5 percent would cover phase 2, so as a result, 5.5 percent was chosen for simplicity. Likewise, a cap rate of 6.5 percent was chosen to cover the commercial portions, while a cap rate of 5.5 percent was chosen for multifamily portions. These rates are higher than what would be found today and were chosen to reflect both an increased the interest rate, as well as, a more saturated market.

ASSUMPTIONS	Year 1	Year 2
Vacancy Commercial	40%	10%
Vacancy Residential	25%	5%
Int Rate	5.5%	
Amortization	30	
Cap Rate Commercial	6.5%	
Cap Rate Residential	5.5%	
Rent Increase	3.0%	
Expenses Increase	3.0%	
Load Factor	1.05	

OPERATING COSTS

Operating costs were split into 2 groups, residential and other. Residential was set at 30 percent while all others were set at 3 percent.

Operating Costs	
Parking	3.0%
Retail	3.0%
Residential	30.0%
Restaurant	3.0%
Commercial Office	3.0%
Industrial Office	3.0%
Industrial	3.0%

TAX ANALYSIS

An analysis of increased tax gains was done and the net present value of the increase over ten years was found to be \$11,329,840. (See appendix)

DEAL STRUCTURE

The deal structure for the Eastside Central is rather simple. New Market tax credits, Low Income Housing Tax Credits, and Historical Tax Credits were looked into, but only Historical Tax Credits were found to be appropriate. Historical Tax Credits had already been applied to block 2 and are eligible for a 2nd ten year implementation. The existing building on Block 5 can also benefit from both State and Federal Historical Tax Credits. There was a precedence found where if the new construction in the parking lot of block 5 were to be constructed in a 'historical manner' then the tax credits could be applied to the new construction as well. The structure is based on cash equity and debt. Using LTC (80%), LTV (75%), and DCR (1.25) on each block individually, a 20 percent equity position was determined to be appropriate for the development as a whole.

RETURNS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
Net Operating Income												
Block 1			\$744,730	\$1,118,868	\$1,152,434	\$1,187,007	\$1,222,617	\$1,259,296	\$1,297,075	\$1,335,987	\$1,376,067	\$1,417,349
Block 3				\$665,071	\$1,460,027	\$1,728,511	\$1,780,367	\$1,833,778	\$1,888,791	\$1,945,455	\$2,003,818	\$2,063,933
Block 4							\$2,099,266	\$3,152,921	\$3,247,509	\$3,344,934	\$3,445,282	\$3,548,641
Block 5						\$443,561	\$816,199	\$840,685	\$865,906	\$891,883	\$918,640	\$946,199
Total Net Operating Income			\$744,730	\$1,783,939	\$2,612,461	\$3,359,079	\$5,918,449	\$7,086,680	\$7,299,280	\$7,518,259	\$7,743,807	\$7,976,121
Development Costs												
Block 1	\$1,305,805	\$13,112,700	\$610,022									
Block 3		\$2,580,612	\$21,957,081	\$916,585								
Block 4					\$4,701,603	\$39,683,520	\$1,090,270					
Block 5				\$1,238,252	\$8,923,395	\$249,917						
Total Development Costs (Including Land)	\$1,305,805	\$15,693,312	\$22,567,103	\$2,154,837	\$13,624,998	\$39,933,437	\$1,090,270				Project Total:	\$94,083,447
Equity Disbursement												
Block 1	\$3,009,933											
Block 3		\$2,811,896	\$1,929,155									
Block 4					\$4,505,463.05	\$4,505,463.05						
Block 5				\$1,653,300	\$441,151							
Total Equity Disbursement	\$3,009,933	\$2,811,896	\$1,929,155	\$1,653,300	\$4,946,614	\$4,505,463					Project Total:	\$18,856,361
Return on Cost												
Block 1				7.44%								
Block 3						6.79%						
Block 4								6.93%				
Block 5							7.84%					
Project Stabilization ROC											Project Total:	7.35%
Value at Stabilization												
Block 1				\$20,343,057								
Block 3						\$26,109,913						
Block 4								\$57,325,839				
Block 5							\$12,556,915					
Total Stabilized Value				\$20,343,057		\$26,109,913	\$12,556,915	\$57,325,839			Project Total:	\$116,335,720

ALTERNATIVE DEVELOPMENT STRATEGIES

In the process of creating a development plan, numerous program elements and configurations were discussed. While each alternative plan was ultimately rejected in favor of the current program, two alternatives were considered in significant depth.

ALTERNATIVE ONE: RESIDENTIAL TOWER

The opportunity to create additional residential space, one of the most profitable program elements, was attractive to the team. Additionally, the flexible EXd zoning, 9:1 FAR and 200' height limitation on Block 4 would allow for the building of a large number of units, potentially over 300. Ultimately, in the absence of strong indicators that the 2020 market would support rents of \$2.80-\$3.00 per square foot, this option was rejected due to the prohibitively high cost of the required concrete or steel construction.

Advantages:

- Opportunity to create asset type with highest rents per square foot
- Project would bring more transit-oriented development and density to the district
- Additional residential development feeds retail in the development and surrounding area

Disadvantages:

- High cost to develop with necessary construction materials
- Additional units would put more strain on retail parking
- Increased pedestrian volume in immediate area exceeds capacity of current infrastructure

ALTERNATIVE TWO: OFFICE TOWER ON BLOCK 1

Several advisors asked the development team whether it would be better to fill the district's immediate office need with the most readily available parcel: the currently vacant (except for food carts) Block 1. The eastern side of Block 3 could then be used for new residential construction. As a result of the team's research, it was determined that the adaptive reuse aspect of the western half of Block 3 made it a much more appealing space to potential office tenants, and that the retail arcade and restaurants would benefit from having daytime users in the same building.

Advantages:

- Quick-to-market build-out of an in-demand asset type

Disadvantages:

- Proximity to adaptive reuse building and unique architecture of Block 3 more appealing to office users
- Restaurants benefit from daytime office use
- Use of Block 3 as a night-time event space could be disruptive to residential tenants above



CONCLUDING REMARKS

The Eastside Central project represents a rare opportunity to create a distinct sense of place in a neighborhood that is greatly important to Portland's future. The development will bring a balance of residential, retail and office uses to the Central Eastside, increase density in a key transit corridor, and help preserve and grow Portland's "Industrial Sanctuary." New residential units will provide a dynamic and highly connected place for young creatives to live, and the supporting amenities generated by the development will help the city achieve its goal of creating "20-minute neighborhoods" where residents can access daily necessities without the need for automobile transportation.

The Eastside Central will also help activate the currently underused Eastside Streetcar loop, connecting a vital employment district with the greater metro region through its attachment to MAX light rail. If the Central Eastside is to become the entrepreneurial incubator that the city hopes it will be, it must be accessible to employees who work outside the district and provide an attractive, affordable, well-amenitized and authentic work environment. With the Eastside Central, the development team hopes to create a project that will help grow the Central Eastside into an alternative to Portland's Pearl District: no less vital, but with an edgy, industrial character that speaks to its place as a hub of creativity and innovation.



ACKNOWLEDGMENTS

The development team would like to thank the following individuals and organizations for their assistance with the development of this report. Without their time and valuable input, this project would not have been possible.

Rahim Abbasi, LIFT Development

Peter Andrews, Melvin Mark

Kali Bader, Rembold Companies

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Bruce Brown, GBD Architects

Tyler Bump, Bureau of Planning and Sustainability

Benjamin Chessar, PacTrust

Brenner Daniels, Holland Development Partners

Casey Davidson, HFF

Marc Edlen, Gerding Edlen

Peter Fry, Columbia Pacific Planning

Shem Harding, DECA, Inc.

Eric Hildebrand, Oregon Liquor Control Commission

David Hyman, DECA, Inc.

Jerry Johnson, Johnson Economics

Noel Johnson, Killian Pacific

Kristen LeBlanc, Walsh Construction

Brandon MacNeil, Multnomah Co. Tax Assessor's Office

Brad Malsin, Beam Development

Stephen McMurtrey, NHA

Gerard Mildner, Portland State University

Chris Nelson, Capstone Partners LLC

Bryce Payne, Homestreet Bank

Neil Riordan, Gerding Edlen

N. Josh Schlesinger, Schlesinger Companies

Jill Sherman, Gerding Edlen

Ed Sloop, Walsh Construction

Graham Taylor, CBRE

Gary Vance, Holland Development Partners

Rick Williams, Lloyd TMA

DEVELOPMENT TEAM PROFILES



KENT WU

is in the Real Estate Graduate Certificate Program and holds a Bachelors of Architecture from University of Oregon. He works GBD Architects Inc., in Portland, Oregon. Kent is a prior recipient of the NAIOP Scholarship.



JEFF SHINDLER

is a candidate in Portland State's MRED program. He is the co-founder of LIFT Development LLC and the owner of Shindler Properties LLC. Jeff's skills include commercial real estate development, multi-family acquisitions and management, capital projects and financial modeling. Jeff holds a BA in Psychology from the University of California, Santa Cruz and is a NAIOP and the Society of Industrial and Office Realtors Scholarship scholarship recipient.



JANA FARO

is the Associate Director of Business Operations for Portland State University's Housing. She holds an MS in Higher Education Administration from Syracuse University and a BA in Studio Art from the University of Redlands. In pursuit of the MRED degree, she has been awarded the Robert S. Ball scholarship, the Center for Real Estate Scholarship, the NAIOP Scholarship, and the Commercial Real Estate Brokers of Metropolitan Portland (COMP) scholarship.



GEOFF FALKENBERG

is an MRED Candidate and holds a BS in Economics and German from Oregon State University. Currently, he works as a Research Analyst at Gerding Edlen, and also, while attending PSU he has interned at Marcus & Millichap. Prior to attending PSU, he worked in Portland managing a branch of a local finance company, underwriting auto loans. Geoff is a recipient of the PSU Center for Real Estate Fellowship, the Society of Industrial and Office Realtors Scholarship, Certified Commercial Investment Member, Robert Nelson Scholarship, and the NAIOP Scholarship.



BLAS DELASCIO, LEED AP

is an MRED candidate at PSU who is originally from Venezuela where he obtained his Civil Engineering degree and post-graduate in Construction Management at Universidad Metropolitana in Caracas. Blas currently is an Estimator at Walsh Construction. Scholarships received: Mark & Ann Edlen Family Scholarship, Evergreen Communities Capital Scholarship, Dermody Properties Scholarship and the NAIOP Scholarship.



ANGELA GUO

is an MRED Candidate and holds a BA in Economics from Emory University. Most recently, she has interned at StanCorp Mortgage Investments and Johnson Economics. Prior to studying at PSU, she worked in San Francisco at Goodguide, Inc. Angela is the recipient of the PSU Center for Real Estate Fellowship, the Society of Industrial and Office Realtors Scholarship, Commercial Real Estate for Women Scholarship, and the NAIOP Scholarship.



ELIZABETH HEREDIA

is currently a Sales Associate at Holland Partner Group in Portland, Oregon. In that role, she leases apartments and assists in property management at one the top revenue producing properties in the company portfolio. She received her bachelor degree from the University of Texas at Austin, and is currently pursuing a MRED degree from Portland State University. She was recently chosen for the Allen Spanjer Real Estate Scholarship, the Appraisal Institute Real Estate Scholarship and the NAIOP scholarship.

(MRED - Master of Real Estate Development
PSU - Portland State University)

APPENDIX

APPENDIX PART 1: PRO FORMA BLOCK 1

	SF	Rent Per SF	Rent Year 1
Parking	39	\$129	60,268
Retail	7,307	\$22	158,085
Residential	52,378	\$2	1,368,363

Unit Type	Units	Avg. Size	Rent/Unit	Rent /SF
Lofts	16	\$597	\$1,504	\$2.52
1 Bedroom	32	\$710	\$1,640	\$2.31
2 Bedroom	16	\$994	\$2,192	\$2.21
Storage	48	\$66	\$50	\$0.76
Total	112		\$1,018	
Average		\$458		\$2.22

Cost to Construct

Parking	\$16,000
Retail	\$130
Residential	\$150
Common Area	\$150
Non- Leasable	\$130

Land Assumption

Land cost per sqft	\$75
Sqft of land purchased	19,200
Land cost	\$1,440,000

Construction Cost

Hard Cost per sqft	\$165
Structure sqft	67,820

Development Costs

Retail	\$949,910
Residential	\$7,856,700
Restaurant	\$0
Commercial Office	\$0
Industrial Office	\$0
Industrial	\$0
Common Area	\$604,200
Non- Leasable	\$533,910
Parking Cost per Space	\$16,000
# of parking spaces	39
Parking Cost	\$624,000
Total	\$10,568,720
Soft Costs	\$3,040,947
Total Const. Cost	\$13,609,667
Total Cost	\$15,049,667

APPENDIX PART 1: PRO FORMA BLOCK 1

		Time 0	Quarter -7	Quarter -6	Quarter -5	Quarter -4	Quarter -3	Quarter -2	Quarter -1
Hard Costs						\$ 4,082,180.00	\$ 2,642,180.00	\$ 2,642,180.00	\$ 2,642,180.00
Soft Costs									
Pre-Development Consultants	0.28%		\$29,592						
A & E Design	1.91%		\$100,931	\$100,931					
MEP & Sub Contractors	0.54%		\$57,071						
Developer Fees & Admin	6.88%			\$121,188	\$121,188	\$121,188	\$121,188	\$121,188	\$121,188
Permit Fees & System Charges	3.78%				\$399,498				
Legal & Accounting	0.27%				\$28,536				
Construction Financing & Carrying Costs	9.39%				\$35,403	\$54,920	\$93,954	\$132,988	
Contingency	5.00%		\$75,491	\$75,491	\$75,491	\$75,491	\$75,491	\$75,491	
Loan Fees	1.00%		\$120,397						
Total Soft Costs	29.05%		\$263,086	\$297,610	\$624,712	\$196,679	\$196,679	\$196,679	\$196,679
Total Costs		\$120,397	\$263,086	\$297,610	\$624,712	\$4,278,859	\$2,838,859	\$2,838,859	\$2,838,859
Equity		\$120,397	\$263,086	\$297,610	\$624,712	\$1,704,129			
Construction loan						\$2,574,730	\$2,838,859	\$2,838,859	\$2,838,859

Cash Flow	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Parking		\$60,268	\$62,076	\$63,938	\$65,857	\$67,832	\$69,867	\$71,963	\$74,122	\$ 76,345.91	\$ 78,636.28	\$ 80,995.37
Retail		\$165,989	\$170,969	\$176,098	\$181,381	\$186,822	\$192,427	\$198,200	\$204,146	\$ 210,270.13	\$ 216,578.23	\$ 223,075.58
Residential		\$1,368,363	\$1,409,414	\$1,451,696	\$1,495,247	\$1,540,104	\$1,586,308	\$1,633,897	\$1,682,914	\$ 1,733,401.16	\$ 1,785,403.19	\$ 1,838,965.29
Restaurant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Commercial Office		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Industrial Office		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Industrial / Entertainment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Common Area		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Non- Leasable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
less vacancy		(\$432,594)	(\$93,775)	(\$96,588)	(\$99,486)	(\$102,471)	(\$105,545)	(\$108,711)	(\$111,972)	(\$115,332)	(\$118,792)	(\$122,355)
Effective income		\$1,162,027	\$1,548,684	\$1,595,144	\$1,642,998	\$1,692,288	\$1,743,057	\$1,795,349	\$1,849,209	\$ 1,904,686	\$ 1,961,826	\$ 2,020,681
Estimated operating expenses		\$417,297	\$429,815	\$442,710	\$455,991	\$469,671	\$483,761	\$498,274	\$513,222	\$ 528,619	\$ 544,477	\$ 560,812
Net Operating Income		\$744,730	\$1,118,868	\$1,152,434	\$1,187,007	\$1,222,617	\$1,259,296	\$1,297,075	\$1,335,987	\$ 1,376,067	\$ 1,417,349	\$ 26,410,360
Debt Service		(\$610,022)	(\$820,323)	(\$820,323)	(\$820,323)	(\$820,323)	(\$820,323)	(\$820,323)	(\$820,323)	(\$ 820,323)	(\$ 820,323)	(\$ 820,323)
Net Cash flow before tax	\$ (3,009,933)	\$ 134,708	\$ 298,545	\$ 332,111	\$ 366,684	\$ 402,294	\$ 438,973	\$ 476,751	\$ 515,664	\$ 555,743	\$ 597,025	\$ 16,430,124
Reversion sale price											\$ 26,543,075.72	
less loan balance											\$ (9,937,715.54)	
less commission											\$ (1,592,584.54)	
Net proceed after sale											\$ 16,430,124.35	

APPENDIX PART 1: PRO FORMA BLOCK 3 (OLD)

	SF	Rent Per SF	Rent Year 1
Retail	6,976	\$22	153,188
Restaurant	6,652	\$19	125,205
Commercial Office	6,162	\$24	145,560
Industrial Office	6,966	\$27	185,706
Industrial / Entertainment	4,458	\$23	104,584

	Cost to Construct
Retail	\$200
Restaurant	\$200
Pods	\$200
Industrial Office	\$75
Industrial / Entertainment	\$150
Common Area	\$200
Non- Leasable	\$150

Land Assumption

Land cost per sqft	\$75
Sqft of land purchased	20,000
Land cost	\$1,500,000

Construction Cost

Hard Cost per sqft	\$167
Structure sqft	35,014

APPENDIX PART 1: PRO FORMA BLOCK (OLD)

		Time 0	Quarter -7	Quarter -6	Quarter -5	Quarter -4	Quarter -3	Quarter -2	Quarter -1
Hard Costs						\$ 3,379,566.14	\$ 1,879,566.14	\$ 1,879,566.14	\$ 1,879,566.14
Soft Costs									
Pre-Development Consultants	0.27%		\$15,793						
A & E Design	2.98%		\$87,152	\$87,152					
MEP & Sub Contractors	0.84%		\$49,133						
Developer Fees & Admin	6.91%			\$67,363	\$67,363	\$67,363	\$67,363	\$67,363	\$67,363
Permit Fees & System Charges	7.28%				\$425,818				
Legal & Accounting	0.42%				\$24,566				
Construction Financing & Carrying Costs	10.67%					\$35,767	\$49,440	\$94,668	\$104,129
Zoning Amendment	0.29%	\$16,839							
Contingency	5.00%		\$41,780	\$41,780	\$41,780	\$41,780	\$41,780	\$41,780	\$41,780
Loan Fees	1.00%	\$75,182							
Total Soft Costs	35.66%		\$193,858	\$196,295	\$559,527	\$109,142	\$109,142	\$109,142	\$109,142
Total Costs		\$92,021	\$193,858	\$196,295	\$559,527	\$3,488,708	\$1,988,708	\$1,988,708	\$1,988,708
Equity		\$92,021	\$193,858	\$196,295	\$559,527	\$887,455			
Construction loan						\$2,601,254	\$1,988,708	\$1,988,708	\$1,988,708

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Parking		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Retail		\$160,847	\$165,672	\$170,643	\$175,762	\$181,035	\$186,466	\$192,060	\$197,822	\$203,756.27	\$209,868.96	\$216,165.03	\$216,165.03
Residential		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Restaurant		\$125,205	\$128,962	\$132,830	\$136,815	\$140,920	\$145,147	\$149,502	\$153,987	\$158,606.39	\$163,364.58	\$168,265.52	\$168,265.52
Commercial Office		\$145,560	\$149,926	\$154,424	\$159,057	\$163,829	\$168,744	\$173,806	\$179,020	\$184,390.61	\$189,922.33	\$195,620.00	\$195,620.00
Industrial Office		\$185,706	\$191,278	\$197,016	\$202,926	\$209,014	\$215,285	\$221,743	\$228,395	\$235,247.34	\$242,304.76	\$249,573.90	\$249,573.90
Industrial / Entertainment		\$109,813	\$113,108	\$116,501	\$119,996	\$123,596	\$127,304	\$131,123	\$135,057	\$139,108.38	\$143,281.63	\$147,580.08	\$147,580.08
Common Area		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Non- Leasable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
less vacancy		(\$290,853)	(\$74,895)	(\$77,141)	(\$79,456)	(\$81,839)	(\$84,295)	(\$86,823)	(\$89,428)	(\$92,111)	(\$94,874)	(\$97,720)	(\$97,720)
Effective income		\$436,279	\$674,051	\$694,273	\$715,101	\$736,554	\$758,651	\$781,410	\$804,853	\$828,998	\$853,868	\$879,484	\$879,484
Estimated operating expenses		\$21,814	\$22,468	\$23,142	\$23,837	\$24,552	\$25,288	\$26,047	\$26,828	\$27,633	\$28,462	\$29,316	\$29,316
Net Operating Income		\$414,465	\$651,583	\$671,130	\$691,264	\$712,002	\$733,362	\$755,363	\$778,024	\$801,365	\$825,406	\$849,168	\$849,168
Debt Service		(\$471,206)	(\$512,255)	(\$512,255)	(\$512,255)	(\$512,255)	(\$512,255)	(\$512,255)	(\$512,255)	(\$512,255)	(\$512,255)	(\$512,255)	(\$512,255)
Net Cash flow before tax		\$ (1,929,155)	\$ (66,741)	\$ 139,328	\$ 158,876	\$ 179,010	\$ 199,748	\$ 221,108	\$ 243,109	\$ 265,770	\$ 289,110	\$ 313,151	\$ 6,914,492
Reversion sale price												\$ 13,079,506.67	\$ 13,079,506.67
less loan balance												\$ (6,205,650.09)	\$ (6,205,650.09)
less commission												\$ (784,770.40)	\$ (784,770.40)
Net proceed after sale												\$ 6,914,491.94	\$ 6,914,491.94

APPENDIX PART 1: PRO FORMA BLOCK 3 (NEW)

	SF	Rent Per SF	Rent Year 1
Parking	37	\$133	\$59,183
Retail	9,648	\$22	\$216,053
Industrial Office	35,132	\$25	\$838,812

Office Suites	Total SF	Rate	Income
Small	5,006	\$27	\$135,162
Medium	5,376	\$25	\$134,400
Large	24,750	\$23	\$569,250
Total	35,132	\$25	\$838,812

	Cost to Construct
Parking	\$45,000
Retail	\$30
Industrial Office	\$175
Common Area	\$175
Non- Leasable	\$150

Land Assumption	
Land cost per sqft	\$75
Sqft of land purchased	16,000
Land cost	\$1,200,000
Construction Assumption	
Hard Cost per sqft	\$170
Structure sqft	62,840

Developmen Costs	
Retail	\$289,440
Residential	\$0
Restaurant	\$0
Commercial Office	\$0
Industrial Office	\$6,308,050
Industrial	\$0
Common Area	\$2,105,250
Non- Leasable	\$767,400
Parking Cost per Space	\$16,000
# of parking spaces	\$37
Parking Cost	\$592,000
Total	\$10,062,140
Soft Costs	\$2,684,855
Total Const. Cost	\$12,746,995
Total Cost	\$14,059,479

APPENDIX PART 1: PRO FORMA BLOCK 3 (NEW)

		Time 0	Quarter -7	Quarter -6	Quarter -5	Quarter -4	Quarter -3	Quarter -2	Quarter -1
Hard Costs						\$ 3,715,535.00	\$ 2,515,535.00	\$ 2,515,535.00	\$ 2,515,535.00
Soft Costs									
Pre-Development Consultants	0.25%		\$25,155						
A & E Design	1.60%		\$80,497	\$80,497					
MEP & Sub Contractors	0.45%		\$45,280						
Developer Fees & Admin	6.67%			\$111,857	\$111,857	\$111,857	\$111,857	\$111,857	\$111,857
Permit Fees & System Charges	7.28%				\$732,524				
Legal & Accounting	0.23%				\$23,143				
Construction Financing & Carrying Costs	8.73%				\$36,111	\$36,613	\$55,672	\$92,787	
Contingency	5.00%		\$71,872	\$71,872	\$71,872	\$71,872	\$71,872	\$71,872	
Loan Fees	1.00%	\$112,484							
Total Soft Costs	31.21%		\$222,805	\$264,227	\$939,397	\$183,730	\$183,730	\$183,730	\$183,730
Total Costs		\$112,484	\$222,805	\$264,227	\$939,397	\$3,899,265	\$2,699,265	\$2,699,265	\$2,699,265
Equity		\$112,484	\$222,805	\$264,227	\$939,397	\$1,272,984			
Construction loan						\$2,626,281	\$2,699,265	\$2,699,265	\$2,699,265

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Parking		\$59,183	\$60,958	\$62,787	\$64,671	\$66,611	\$68,609	\$70,668	\$72,788	\$ 74,971.16	\$ 77,220.29	\$ 79,536.90	
Retail		\$226,856	\$233,661	\$240,671	\$247,891	\$255,328	\$262,988	\$270,877	\$279,004	\$ 287,373.77	\$ 295,994.98	\$ 304,874.83	
Residential		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -	
Restaurant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -	
Commercial Office		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -	
Industrial Office		\$880,753	\$907,175	\$934,390	\$962,422	\$991,295	\$1,021,034	\$1,051,665	\$1,083,215	\$ 1,115,711.04	\$ 1,149,182.37	\$ 1,183,657.85	
Industrial / Entertainment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -	
Common Area		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -	
Non- Leasable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -	
less vacancy		(\$466,716)	(\$120,179)	(\$123,785)	(\$127,498)	(\$131,323)	(\$135,263)	(\$139,321)	(\$143,501)	(\$147,806)	(\$152,240)	(\$156,807)	
Effective income		\$700,075	\$1,081,615	\$1,114,064	\$1,147,486	\$1,181,910	\$1,217,368	\$1,253,889	\$1,291,505	\$ 1,330,250	\$ 1,370,158	\$ 1,411,263	
Estimated operating expenses		\$35,004	\$36,054	\$37,135	\$38,250	\$39,397	\$40,579	\$41,796	\$43,050	\$ 44,342	\$ 45,672	\$ 47,042	
Net Operating Income		\$665,071	\$1,045,561	\$1,076,928	\$1,109,236	\$1,142,513	\$1,176,789	\$1,212,092	\$1,248,455	\$ 1,285,909	\$ 1,324,486	\$ 1,368,221	
Debt Service		(\$445,379)	(\$766,350)	(\$766,350)	(\$766,350)	(\$766,350)	(\$766,350)	(\$766,350)	(\$766,350)	(\$766,350)	(\$766,350)	(\$766,350)	
Net Cash flow before tax	\$	(2,811,896)	\$ 219,692	\$ 279,211	\$ 310,578	\$ 342,886	\$ 376,163	\$ 410,438	\$ 445,742	\$ 482,105	\$ 519,558	\$ 558,135	\$ 11,769,347
Reversion sale price													\$ 20,988,008.21
less loan balance													\$ (9,283,866.43)
less commission													\$ (1,259,280.49)
Net proceed after sale													\$ 11,769,347.25

APPENDIX PART 1: PRO FORMA BLOCK 4

	SF	Rent Per SF	Rent Year 1
Parking	214	\$146	\$374,042
Retail	20,393	\$24	\$499,017
Residential	118,913	See Below	\$4,327,229

Rooms	Total SF	Rate	Income
Studio	35,206	\$3.03	\$1,279,255
1BR/1BA	41,846	\$3.09	\$1,552,875
2BR/2BA	13,734	\$3.03	\$498,815
3BR/BA	15,197	\$3.03	\$551,951
Studio Lofts	2,418	\$2.96	\$85,912
1BR Lofts	8,901	\$3.36	\$358,421
Total	118,913		\$4,327,229
Average		\$3.08	

	Cost to Construct
Parking	\$34,000
Retail	\$125
Residential	\$150
Common Area	\$130
Non- Leasable	\$130

Land Assumption	
Land cost per sqft	\$75
Sqft of land purchased	38,000
Land cost	\$2,850,000
Construction Assumption	
Hard Cost per sqft	\$225
Structure sqft	176,794

Development Costs	
Retail	\$2,549,125
Residential	\$17,836,950
Restaurant	\$0
Commercial Office	\$0
Industrial Office	\$0
Industrial	\$0
Common Area	\$3,793,140
Non- Leasable	\$1,080,300
Parking Cost per Space	\$34,000
# of parking spaces	\$214
Parking Cost	\$7,276,000
Total	\$32,535,515
Soft Costs	\$9,308,680
Total Const. Cost	\$41,844,195
Total Cost	\$45,054,631

APPENDIX PART 1: PRO FORMA

BLOCK 4

		Time 0	Quarter -8	Quarter -7	Quarter -6	Quarter -5	Quarter -4	Quarter -3	Quarter -2	Quarter -1
Hard Costs						\$ 9,357,103.00	\$ 6,507,103.00	\$ 6,507,103.00	\$ 6,507,103.00	\$ 6,507,103.00
Soft Costs										
Pre-Development Consultants	0.19%		\$61,817							
A & E Design	0.80%		\$130,142	\$130,142						
MEP & Sub Contractors	0.24%		\$78,085							
Developer Fees & Admin	6.54%			\$354,637	\$354,637	\$354,637	\$354,637	\$354,637	\$354,637	\$354,637
Permit Fees & System Charges	7.68%				\$2,498,728					
Legal & Accounting	0.11%				\$35,789					
Construction Financing & Carrying Costs	5.51%				\$77,479	\$126,251	\$525,069	\$321,340	\$418,884	
Contingency	5.00%		\$232,397	\$232,397	\$232,397	\$232,397	\$232,397	\$232,397	\$232,397	\$232,397
Loan Fees	1.00%	\$360,436								
Total Soft Costs	27.07%		\$502,441	\$717,176	\$3,121,550	\$587,034	\$587,034	\$587,034	\$587,034	\$587,034
Total Costs		\$360,436	\$502,441	\$717,176	\$3,121,550	\$9,944,137	\$7,094,137	\$7,094,137	\$7,094,137	\$7,094,137
Equity		\$360,436	\$502,441	\$717,176	\$3,121,550	\$4,309,323				
Construction loan						\$5,634,814	\$7,094,137	\$7,094,137	\$7,094,137	7094136.649 34011360.43

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Parking		\$93,510	\$96,316	\$99,205	\$102,181	\$105,247	\$108,404	\$111,656	\$115,006	\$ 118,456.24	\$ 122,009.93	\$ 125,670.23
Retail		\$523,968	\$539,687	\$555,878	\$572,554	\$589,731	\$607,423	\$625,645	\$644,415	\$ 663,747.08	\$ 683,659.49	\$ 704,169.28
Residential		\$4,327,229	\$4,457,046	\$4,590,757	\$4,728,480	\$4,870,334	\$5,016,444	\$5,166,937	\$5,321,945	\$ 5,481,603.84	\$ 5,646,051.96	\$ 5,815,433.51
Restaurant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Commercial Office		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Industrial Office		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Industrial / Entertainment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Common Area		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Non- Leasable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
less vacancy		(\$1,328,799)	(\$286,453)	(\$295,046)	(\$303,898)	(\$313,014)	(\$322,405)	(\$332,077)	(\$342,039)	(\$352,301)	(\$362,870)	(\$373,756)
Effective income		\$3,615,909	\$4,806,596	\$4,950,794	\$5,099,318	\$5,252,297	\$5,409,866	\$5,572,162	\$5,739,327	\$ 5,911,507	\$ 6,088,852	\$ 6,271,517
Estimated operating expenses		\$1,316,693	\$1,356,194	\$1,396,880	\$1,438,786	\$1,481,950	\$1,526,408	\$1,572,200	\$1,619,366	\$ 1,667,947	\$ 1,717,986	\$ 1,769,525
Net Operating Income		\$2,299,216	\$3,450,402	\$3,553,914	\$3,660,532	\$3,770,348	\$3,883,458	\$3,999,962	\$4,119,961	\$ 4,243,559	\$ 4,370,866	\$ 81,445,131
Debt Service		(\$1,090,270)	(\$2,455,826)	(\$2,455,826)	(\$2,455,826)	(\$2,455,826)	(\$2,455,826)	(\$2,455,826)	(\$2,455,826)	\$ (2,455,826)	\$ (2,455,826)	\$ (2,455,826)
Net Cash flow before tax	\$ (9,010,926)	\$ 1,208,946	\$ 994,576	\$ 1,098,088	\$ 1,204,705	\$ 1,314,521	\$ 1,427,632	\$ 1,544,135	\$ 1,664,134	\$ 1,787,733	\$ 1,915,040	\$ 51,563,174
Reversion sale price											\$ 81,854,402.78	
less loan balance											\$ (29,750,830.85)	
less commission											\$ (4,911,264.17)	
Net proceed after sale											\$ 51,563,173.93	

APPENDIX PART 1: PRO FORMA BLOCK 5 (OLD)

	SF	Rent Per SF	Rent Year 1
Retail	10,636	\$24	\$252,683

Cost to Construct

Retail	\$100
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Land Assumption

Land cost per sqft	\$75
Sqft of land purchased	10,000
Land cost	\$750,000
Construction Assumption	
Hard Cost per sqft	\$100
Structure sqft	10,636

Development Costs

Retail	\$1,063,600
Residential	\$0
Restaurant	\$0
Commercial Office	\$0
Industrial Office	\$0
Industrial	\$0
Common Area	\$0
Non- Leasable	\$0
Parking Cost per Space	\$16,000
# of parking spaces	\$0
Parking Cost	\$0
Total	\$1,063,600
Soft Costs	\$374,531
Total Const. Cost	\$1,438,131
Total Cost	\$2,205,753

APPENDIX PART 1: PRO FORMA BLOCK 5 (OLD)

		Time 0	Quarter -7	Quarter -6	Quarter -5	Quarter -4	Quarter -3	Quarter -2	Quarter -1
Hard Costs						\$ 1,015,900.00	\$ 265,900.00	\$ 265,900.00	\$ 265,900.00
Soft Costs									
Pre-Development Consultants	0.36%		\$3,829						
A & E Design	3.02%		\$16,060	\$16,060					
MEP & Sub Contractors	0.85%		\$9,041						
Developer Fees & Admin	6.92%			\$12,267	\$12,267	\$12,267	\$12,267	\$12,267	\$12,267
Permit Fees & System Charges	7.28%				\$77,430				
Legal & Accounting	0.43%				\$4,573				
Construction Financing & Carrying Costs	12.42%					\$10,815	\$12,780	\$16,709	\$20,638
Contingency	5.00%		\$7,597	\$7,597	\$7,597	\$7,597	\$7,597	\$7,597	\$7,597
Loan Fees	1.00%	\$17,622							
Total Soft Costs	37.28%		\$36,527	\$35,924	\$101,868	\$19,864	\$19,864	\$19,864	\$19,864
Total Costs		\$17,622	\$36,527	\$35,924	\$101,868	\$1,035,764	\$285,764	\$285,764	\$285,764
Equity		\$17,622	\$36,527	\$35,924	\$101,868	\$249,210			
Construction loan						\$786,554	\$285,764	\$285,764	\$285,764

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Parking		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Retail		\$265,317	\$273,276	\$281,475	\$289,919	\$298,616	\$307,575	\$316,802	\$326,306	\$336,095.43	\$346,178.29	\$356,563.64	
Residential		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Restaurant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Commercial Office		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Industrial Office		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Industrial / Entertainment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Common Area		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Non- Leasable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
less vacancy		(\$106,127)	(\$27,328)	(\$28,147)	(\$28,992)	(\$29,862)	(\$30,757)	(\$31,680)	(\$32,631)	(\$33,610)	(\$34,618)	(\$35,656)	
Effective income		\$159,190	\$245,949	\$253,327	\$260,927	\$268,755	\$276,817	\$285,122	\$293,676	\$302,486	\$311,560	\$320,907	
Estimated operating expenses		\$7,960	\$8,198	\$8,444	\$8,698	\$8,958	\$9,227	\$9,504	\$9,789	\$10,083	\$10,385	\$10,697	
Net Operating Income		\$151,231	\$237,750	\$244,883	\$252,229	\$259,796	\$267,590	\$275,618	\$283,886	\$292,403	\$301,175	\$309,210	\$317,207
Debt Service		(\$90,412)	(\$120,231)	(\$120,231)	(\$120,231)	(\$120,231)	(\$120,231)	(\$120,231)	(\$120,231)	(\$120,231)	(\$120,231)	(\$120,231)	(\$120,231)
Net Cash flow before tax		\$ (441,151)	\$ 60,819	\$ 117,520	\$ 124,652	\$ 131,999	\$ 139,566	\$ 147,360	\$ 155,387	\$ 163,656	\$ 172,172	\$ 180,944	\$ 189,974
Reversion sale price												\$ 4,772,467.21	
less loan balance												\$ (1,456,520.28)	
less commission												\$ (286,348.03)	
Net proceed after sale												\$ 3,330,774.01	

APPENDIX PART 1: PRO FORMA BLOCK 5 (NEW)

	SF	Rent Per SF	Rent Year 1
Parking	18	\$141	\$30,545
Retail	3,115	\$24	\$74,004
Industrial Office	20,559	\$25	\$511,685

	Cost to Construct
Parking	\$45,000
Retail	\$125
Industrial Office	\$175
Common Area	\$175
Non- Leasable	\$150

Land Assumption	
Land cost per sqft	\$75
Sqft of land purchased	4,900
Land cost	\$367,500
Construction Assumption	
Hard Cost per sqft	\$186
Structure sqft	33,736

Development Costs	
Retail	\$389,375
Residential	\$0
Restaurant	\$0
Commercial Office	\$0
Industrial Office	\$3,597,825
Industrial	\$0
Commercial Office	\$1,372,000
Non- Leasable	\$333,300
Parking Cost per Space	\$16,000
# of parking spaces	\$18
Parking Cost	\$288,000
Total	\$5,980,500
Soft Costs	\$1,852,362
Total Const. Cost	\$7,832,862
Total Cost	\$8,266,498

APPENDIX PART 1: PRO FORMA BLOCK 5 (NEW)

		Time 0	Quarter -7	Quarter -6	Quarter -5	Quarter -4	Quarter -3	Quarter -2	Quarter -1
Hard Costs						\$ 1,862,625.00	\$ 1,495,125.00	\$ 1,495,125.00	\$ 1,495,125.00
Soft Costs									
Pre-Development Consultants	0.36%		\$21,530						
A & E Design	3.02%		\$90,306	\$90,306					
MEP & Sub Contractors	0.85%		\$50,834						
Developer Fees & Admin	6.92%			\$68,975	\$68,975	\$68,975	\$68,975	\$68,975	\$68,975
Permit Fees & System Charges	7.28%				\$435,380				
Legal & Accounting	0.43%				\$25,716				
Construction Financing & Carrying Costs	9.20%					\$18,801	\$29,848	\$51,941	\$74,035
Contingency	5.00%		\$42,718	\$42,718	\$42,718	\$42,718	\$42,718	\$42,718	\$42,718
Loan Fees	1.00%	\$66,136							
Total Soft Costs	34.06%		\$205,387	\$201,999	\$572,790	\$111,693	\$111,693	\$111,693	\$111,693
Total Costs		\$66,136	\$205,387	\$201,999	\$572,790	\$1,974,318	\$1,606,818	\$1,606,818	\$1,606,818
Equity		\$66,136	\$205,387	\$201,999	\$572,790	\$606,988			
Construction loan						\$1,367,330	\$1,606,818	\$1,606,818	\$1,606,818

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Parking		\$30,545	\$31,461	\$32,405	\$33,377	\$34,379	\$35,410	\$36,472	\$37,567	\$ 38,693.63	\$ 39,854.44	\$ 41,050.07
Retail		\$77,704	\$80,035	\$82,436	\$84,909	\$87,457	\$90,080	\$92,783	\$95,566	\$ 98,433.36	\$ 101,386.37	\$ 104,427.96
Residential		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Restaurant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Commercial Office		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Industrial Office		\$537,269	\$553,387	\$569,989	\$587,088	\$604,701	\$622,842	\$641,527	\$660,773	\$ 680,596.41	\$ 701,014.30	\$ 722,044.73
Industrial / Entertainment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Common Area		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
Non- Leasable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	\$ -	\$ -
less vacancy		(\$258,207)	(\$66,488)	(\$68,483)	(\$70,538)	(\$72,654)	(\$74,833)	(\$77,078)	(\$79,391)	(\$81,772)	(\$84,226)	(\$86,752)
Effective income		\$387,311	\$598,396	\$616,347	\$634,838	\$653,883	\$673,499	\$693,704	\$714,516	\$ 735,951	\$ 758,030	\$ 780,770
Estimated operating expenses		\$19,366	\$19,947	\$20,545	\$21,161	\$21,796	\$22,450	\$23,123	\$23,817	\$ 24,532	\$ 25,268	\$ 26,026
Net Operating Income		\$367,945	\$578,449	\$595,803	\$613,677	\$632,087	\$651,049	\$670,581	\$690,698	\$ 711,419	\$ 732,762	\$ 11,669,516
Debt Service		(\$340,328)	(\$450,588)	(\$450,588)	(\$450,588)	(\$450,588)	(\$450,588)	(\$450,588)	(\$450,588)	\$ (450,588)	\$ (450,588)	\$ (450,588)
Net Cash flow before tax	\$ (1,653,300)	\$ 27,617	\$ 127,861	\$ 145,214	\$ 163,088	\$ 181,499	\$ 200,461	\$ 219,993	\$ 240,110	\$ 260,831	\$ 282,174	\$ 6,188,933
Reversion sale price											\$ 11,611,458.41	
less loan balance											\$ (5,458,599.70)	
less commission											\$ (696,687.50)	
Net proceed after sale											\$ 6,188,933.15	

APPENDIX PART 1: PRO FORMA BLOCK 4 (ALTERNATIVE PLAN)

	SF	Rent Per SF	Rent Year 1
Residential	210,000	3.36	\$8,456,178

	Cost to Construct
Parking	\$45,000
Residential	\$343

LTV	\$87,288,756
LTC	\$85,768,349
DCR	1.21
Debt	\$75,159,087
Equity	\$32,051,349
Return on Cost	5.80%
Unleveraged IRR	7.94%
Leveraged IRR	12.93%
Income per SF Yr	\$9.43
Net Operating Inc	\$6,401,175
Net Income After	\$1,280,235

Land Assumption

Land cost per sqft	\$75
Sqft of land purch	38,000
Land cost	\$2,850,000
Construction Assumption	
Hard Cost per sqft	\$343
Structure sqft	233,333

Development Costs

Retail	
Residential	
Restaurant	
Commercial Office	
Industrial Office	
Industrial	
Common Area	
Non- Leasable	
Parking Cost per Space	
# of parking space	\$214
Parking Cost	\$7,276,000
Total	\$80,000,000
Soft Costs	\$24,000,000
Total Const. Cost	\$104,000,000
Total Cost	\$107,210,436

APPENDIX PART 1: PRO FORMA BLOCK 4 (ALTERNATIVE PLAN)

		Time 0	Quarter -8	Quarter -7	Quarter -6	Quarter -5	Quarter -4	Quarter -3	Quarter -2	Quarter -1
Hard Costs						\$ 18,850,000.00	\$ 16,000,000.00	\$ 16,000,000.00	\$ 16,000,000.00	\$ 16,000,000.00
Soft Costs										
Pre-Development Consultants	0.19%		\$152,000							
A & E Design	0.80%		\$320,000	\$320,000						
MEP & Sub Contractors	0.24%		\$192,000							
Developer Fees & Admin	6.54%			\$872,000	\$872,000	\$872,000	\$872,000	\$872,000	\$872,000	\$872,000
Permit Fees & System Charges	7.68%				\$6,144,000					
Legal & Accounting	0.11%				\$88,000					
Construction Financing & Carrying Costs	5.36%						\$229,903	\$699,653	\$589,674	\$829,521
Contingency	5.00%		\$571,429	\$571,429	\$571,429	\$571,429	\$571,429	\$571,429	\$571,429	\$571,429
Loan Fees	1.00%	\$360,436								
Total Soft Costs	26.92%		\$1,235,429	\$1,763,429	\$7,675,429	\$1,443,429	\$1,443,429	\$1,443,429	\$1,443,429	\$1,443,429
Total Costs		\$360,436	\$1,235,429	\$1,763,429	\$7,675,429	\$20,293,429	\$17,443,429	\$17,443,429	\$17,443,429	\$17,443,429
Equity		\$360,436	\$1,235,429	\$1,763,429	\$7,675,429	\$20,293,429	\$723,199			
Construction loan						\$16,720,230	\$17,443,429	\$17,443,429	17443428.57	69050515.33

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Parking		\$93,510	\$96,316	\$99,205	\$102,181	\$105,247	\$108,404	\$111,656	\$115,006	\$118,456.24	\$122,009.93	\$125,670.23
Retail		\$523,968	\$539,687	\$555,878	\$572,554	\$589,731	\$607,423	\$625,645	\$644,415	\$663,747.08	\$683,659.49	\$704,169.28
Residential		\$8,456,178	\$8,709,863	\$8,971,159	\$9,240,294	\$9,517,502	\$9,803,027	\$10,097,118	\$10,400,032	\$10,712,032.80	\$11,033,393.79	\$11,364,395.60
Restaurant		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-	\$-	\$-
Commercial Office		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-	\$-	\$-
Industrial Office		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-	\$-	\$-
Industrial / Entertainment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-	\$-	\$-
Common Area		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-	\$-	\$-
Non- Leasable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-	\$-	\$-
less vacancy		(\$2,361,036)	(\$499,093)	(\$514,066)	(\$529,488)	(\$545,373)	(\$561,734)	(\$578,586)	(\$595,944)	(\$613,822)	(\$632,237)	(\$651,204)
Effective income		\$6,712,620	\$8,846,772	\$9,112,176	\$9,385,541	\$9,667,107	\$9,957,120	\$10,255,834	\$10,563,509	\$10,880,414	\$11,206,827	\$11,543,031
Estimated operating expenses		\$2,555,378	\$2,632,039	\$2,711,000	\$2,792,330	\$2,876,100	\$2,962,383	\$3,051,255	\$3,142,792	\$3,237,076	\$3,334,188	\$3,434,214
Net Operating Income		\$4,157,243	\$6,214,733	\$6,401,175	\$6,593,211	\$6,791,007	\$6,994,737	\$7,204,579	\$7,420,717	\$7,643,338	\$7,872,638	\$8,109,815
Debt Service		(\$1,879,001)	(\$5,120,940)	(\$5,120,940)	(\$5,120,940)	(\$5,120,940)	(\$5,120,940)	(\$5,120,940)	(\$5,120,940)	(\$5,120,940)	(\$5,120,940)	(\$5,120,940)
Net Cash flow before tax	#####	\$2,278,241	\$1,093,793	\$1,280,235	\$1,472,270	\$1,670,067	\$1,873,797	\$2,083,639	\$2,299,776	\$2,522,398	\$2,751,698	\$2,988,875
Reversion sale price											\$147,433,045.63	
less loan balance											\$(62,037,055.09)	
less commission											\$(8,845,982.74)	
Net proceed after sale											\$84,422,646.17	

APPENDIX PART 1: PRO FORMA PROPERTY TAXES CALCULATIONS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
Current Tax Flow												
Block 1	\$11,454	\$11,797	\$12,151	\$12,516	\$12,891	\$13,278	\$13,676	\$14,087	\$14,509	\$14,945	\$15,393	\$15,855
Block 3	\$33,152	\$34,147	\$35,171	\$36,226	\$37,313	\$38,432	\$39,585	\$40,773	\$41,996	\$43,256	\$44,554	\$45,890
Block 4	\$30,341	\$31,251	\$32,188	\$33,154	\$34,149	\$35,173	\$36,228	\$37,315	\$38,434	\$39,587	\$40,775	\$41,998
Block 5	\$8,307	\$8,556	\$8,813	\$9,077	\$9,349	\$9,630	\$9,919	\$10,216	\$10,523	\$10,838	\$11,164	\$11,498
Total Current Tax Flow	\$83,253	\$85,751	\$88,323	\$90,973	\$93,702	\$96,513	\$99,408	\$102,391	\$105,462	\$108,626	\$111,885	\$115,242
Potential Real Market Value												
Block 1	\$691,700	\$696,383	\$21,060,332	\$21,692,142	\$22,342,906	\$23,013,193	\$23,703,589	\$24,414,697	\$25,147,138	\$25,901,552	\$26,678,598	\$27,478,956
Block 3	\$4,367,810	\$4,498,844	\$1,503,964	\$27,658,996	\$28,488,766	\$29,343,429	\$30,223,732	\$31,130,444	\$32,064,357	\$33,026,288	\$34,017,076	\$35,037,589
Block 4	\$2,943,720	\$3,032,032	\$3,122,993	\$3,216,682	\$3,313,183	\$2,146,616	\$64,945,599	\$66,893,967	\$68,900,786	\$70,967,809	\$73,096,843	\$75,289,749
Block 5	\$1,404,060	\$1,446,182	\$1,489,567	\$1,534,254	\$1,580,282	\$13,561,426	\$13,968,268	\$14,387,317	\$14,818,936	\$15,263,504	\$15,721,409	\$16,193,052
Total Potential Real Market Value	\$9,407,290	\$9,673,441	\$27,176,855	\$54,102,074	\$55,725,137	\$68,064,664	\$132,841,188	\$136,826,424	\$140,931,216	\$145,159,153	\$149,513,927	\$153,999,345
Potential Assessed Value												
Block 1	\$403,745	\$406,478,7571	\$12,292,916	\$12,661,703	\$13,041,554	\$13,432,801	\$13,835,785	\$14,250,858	\$14,678,384	\$15,118,736	\$15,572,298	\$16,039,467
Block 3	\$2,489,215	\$2,563,891	\$857,109	\$15,762,862	\$16,235,748	\$16,722,820	\$17,224,505	\$17,741,240	\$18,273,477	\$18,821,681	\$19,386,332	\$19,967,922
Block 4	\$1,718,249	\$1,769,796,845	\$1,822,891	\$1,877,577	\$1,933,905	\$1,252,980	\$37,908,746	\$39,046,008	\$40,217,389	\$41,423,910	\$42,666,627	\$43,946,626
Block 5	\$800,174	\$824,179,0078	\$848,904	\$874,372	\$900,603	\$7,728,657	\$7,960,516	\$8,199,332	\$8,445,312	\$8,698,671	\$8,959,631	\$9,228,420
Total Potential Assessed Value		\$5,564,346	\$15,821,820	\$31,176,514	\$32,111,809	\$39,137,257	\$76,929,552	\$79,237,438	\$81,614,561	\$84,062,998	\$86,584,888	\$89,182,435
Potential Tax Flow												
Block 1	\$9,744	\$9,810	\$296,670	\$305,570	\$314,737	\$324,179	\$333,905	\$343,922	\$354,239	\$364,866	\$375,812	\$387,087
Block 3	\$60,073	\$61,875	\$20,685	\$380,411	\$391,824	\$403,579	\$415,686	\$428,156	\$441,001	\$454,231	\$467,858	\$481,894
Block 4	\$41,467	\$42,711	\$43,993	\$45,312	\$46,672	\$30,239	\$914,867	\$942,313	\$970,582	\$999,700	\$1,029,691	\$1,060,582
Block 5	\$19,311	\$19,890	\$20,487	\$21,102	\$21,735	\$186,519	\$192,114	\$197,878	\$203,814	\$209,929	\$216,226	\$222,713
Total Potential Tax Flow		\$134,287	\$381,834	\$752,395	\$774,967	\$944,515	\$1,856,572	\$1,912,269	\$1,969,637	\$2,028,726	\$2,089,588	\$2,152,275
Tax Increase												
Block 1			\$284,519	\$293,054	\$301,846	\$310,901	\$320,228	\$329,835	\$339,730	\$349,922	\$360,420	\$371,232
Block 3				\$344,185	\$354,511	\$365,146	\$376,101	\$387,384	\$399,005	\$410,975	\$423,305	\$436,004
Block 4							\$878,639	\$904,998	\$932,148	\$960,112	\$988,916	\$1,018,583
Block 5						\$176,889	\$182,196	\$187,662	\$193,291	\$199,090	\$205,063	\$211,215
Total Tax Increase			\$284,519	\$637,239	\$656,357	\$852,936	\$1,757,163	\$1,809,878	\$1,864,174	\$1,920,100	\$1,977,703	\$2,037,034

**NPV of Tax Increase at
3.00%
\$11,329,840**

APPENDIX PART 2: MARKET ANALYSIS AND DEMOGRAPHIC DATA



Executive Summary

Eastside Central Development
621 SE Grand Ave, Portland, Oregon, 97214
Rings: 1, 3, 5 mile radii

Latitude: 45.51845
Longitude: -122.66079

	1 mile	3 miles	5 miles
Population			
2000 Population	15,196	166,641	373,391
2010 Population	18,139	184,670	399,403
2013 Population	18,817	191,673	410,899
2018 Population	20,064	204,840	434,959
2000-2010 Annual Rate	1.79%	1.03%	0.68%
2010-2013 Annual Rate	1.14%	1.15%	0.88%
2013-2018 Annual Rate	1.29%	1.34%	1.14%
2013 Male Population	57.6%	50.5%	49.8%
2013 Female Population	42.4%	49.5%	50.2%
2013 Median Age	35.6	36.3	37.1

In the identified area, the current year population is 410,899. In 2010, the Census count in the area was 399,403. The rate of change since 2010 was 0.88% annually. The five-year projection for the population in the area is 434,959 representing a change of 1.14% annually from 2013 to 2018. Currently, the population is 49.8% male and 50.2% female.

Median Age

The median age in this area is 37.1, compared to U.S. median age of 37.3.

Race and Ethnicity

2013 White Alone	83.1%	83.4%	79.7%
2013 Black Alone	5.1%	4.8%	5.6%
2013 American Indian/Alaska Native Alone	1.6%	0.8%	0.9%
2013 Asian Alone	3.7%	4.8%	6.0%
2013 Pacific Islander Alone	0.2%	0.2%	0.4%
2013 Other Race	1.9%	1.7%	2.8%
2013 Two or More Races	4.4%	4.4%	4.7%
2013 Hispanic Origin (Any Race)	6.7%	5.9%	7.5%

Persons of Hispanic origin represent 7.5% of the population in the identified area compared to 17.4% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 44.8 in the identified area, compared to 62.1 for the U.S. as a whole.

Households

2000 Households	7,873	82,373	166,324
2010 Households	9,614	92,518	182,083
2013 Total Households	10,031	96,352	188,026
2018 Total Households	10,787	103,377	199,770
2000-2010 Annual Rate	2.02%	1.17%	0.91%
2010-2013 Annual Rate	1.32%	1.26%	0.99%
2013-2018 Annual Rate	1.46%	1.42%	1.22%
2013 Average Household Size	1.60	1.91	2.12

The household count in this area has changed from 182,083 in 2010 to 188,026 in the current year, a change of 0.99% annually. The five-year projection of households is 199,770, a change of 1.22% annually from the current year total. Average household size is currently 2.12, compared to 2.12 in the year 2010. The number of families in the current year is 84,904 in the specified area.



Executive Summary

Eastside Central Development
621 SE Grand Ave, Portland, Oregon, 97214
Rings: 1, 3, 5 mile radii

Latitude: 45.51845
Longitude: -122.66079

	1 mile	3 miles	5 miles
Median Household Income			
2013 Median Household Income	\$26,356	\$42,302	\$46,129
2018 Median Household Income	\$30,494	\$54,413	\$57,534
2013-2018 Annual Rate	2.96%	5.16%	4.52%
Average Household Income			
2013 Average Household Income	\$42,684	\$67,329	\$68,182
2018 Average Household Income	\$50,944	\$81,320	\$81,848
2013-2018 Annual Rate	3.60%	3.85%	3.72%
Per Capita Income			
2013 Per Capita Income	\$25,592	\$34,619	\$31,771
2018 Per Capita Income	\$30,068	\$41,760	\$38,133
2013-2018 Annual Rate	3.28%	3.82%	3.72%

Households by Income

Current median household income is \$46,129 in the area, compared to \$51,314 for all U.S. households. Median household income is projected to be \$57,534 in five years, compared to \$59,580 for all U.S. households

Current average household income is \$68,182 in this area, compared to \$71,842 for all U.S. households. Average household income is projected to be \$81,848 in five years, compared to \$83,667 for all U.S. households

Current per capita income is \$31,771 in the area, compared to the U.S. per capita income of \$27,567. The per capita income is projected to be \$38,133 in five years, compared to \$32,073 for all U.S. households

Housing			
2000 Total Housing Units	8,734	87,722	176,105
2000 Owner Occupied Housing Units	1,479	34,238	88,294
2000 Owner Occupied Housing Units	6,394	48,135	78,030
2000 Vacant Housing Units	861	5,349	9,781
2010 Total Housing Units	10,400	100,320	194,792
2010 Owner Occupied Housing Units	1,862	38,281	94,159
2010 Renter Occupied Housing Units	7,752	54,237	87,924
2010 Vacant Housing Units	786	7,802	12,709
2013 Total Housing Units	10,789	103,480	200,412
2013 Owner Occupied Housing Units	1,797	38,138	93,517
2013 Renter Occupied Housing Units	8,234	58,214	94,508
2013 Vacant Housing Units	758	7,128	12,386
2018 Total Housing Units	11,472	109,695	212,387
2018 Owner Occupied Housing Units	1,976	41,642	101,013
2018 Renter Occupied Housing Units	8,811	61,735	98,757
2018 Vacant Housing Units	685	6,318	12,617

Currently, 46.7% of the 200,412 housing units in the area are owner occupied; 47.2%, renter occupied; and 6.2% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.3% are renter occupied; and 11.3% are vacant. In 2010, there were 194,792 housing units in the area - 48.3% owner occupied, 45.1% renter occupied, and 6.5% vacant. The annual rate of change in housing units since 2010 is 1.27%. Median home value in the area is \$294,001, compared to a median home value of \$177,257 for the U.S. In five years, median value is projected to change by 3.44% annually to \$348,156.



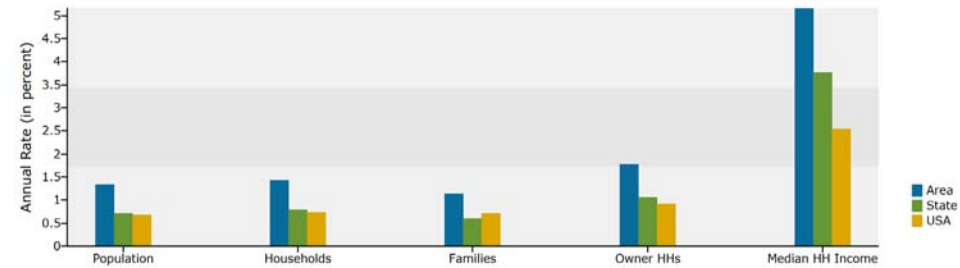
Demographic and Income Comparison Profile

Eastside Central Development
621 SE Grand Ave, Portland, Oregon, 97214
Rings: 1, 3, 5 mile radii

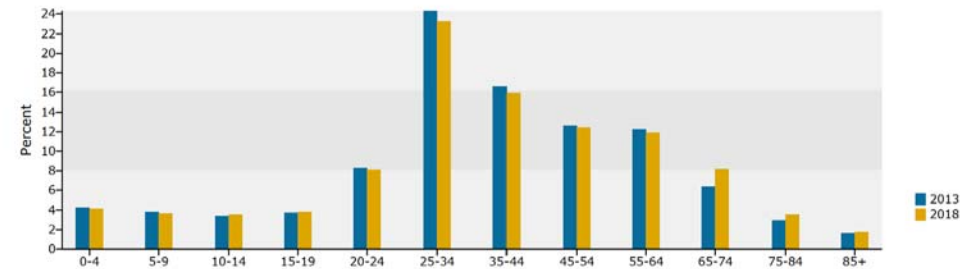
Latitude: 45.51845
Longitude: -122.66079

3 miles

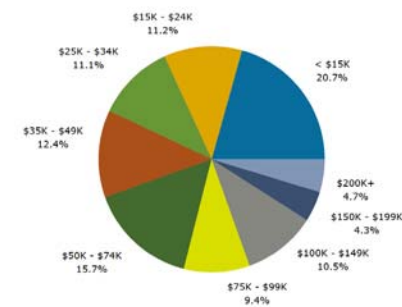
Trends 2013-2018



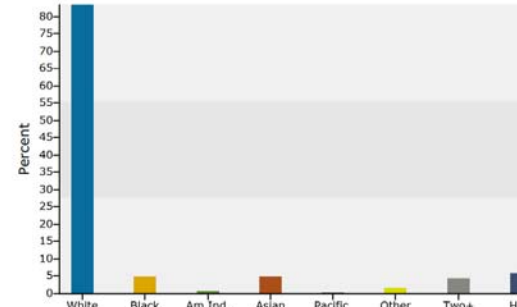
Population by Age



2013 Household Income



2013 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.



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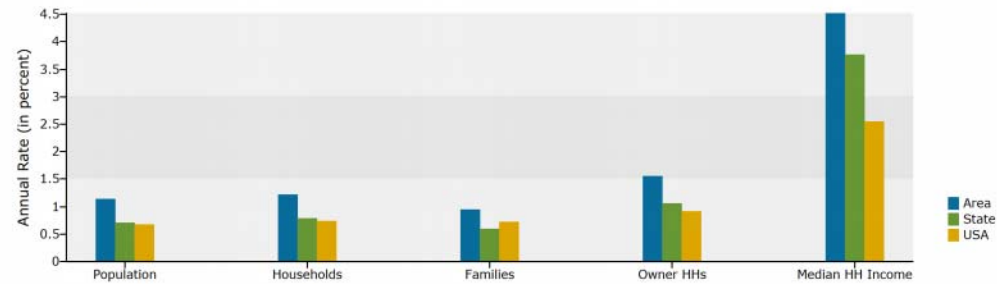
Demographic and Income Comparison Profile

Eastside Central Development
621 SE Grand Ave, Portland, Oregon, 97214
Rings: 1, 3, 5 mile radii

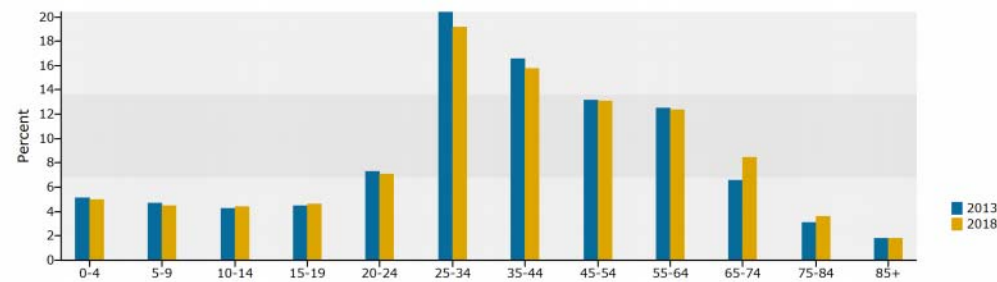
Latitude: 45.51845
Longitude: -122.66079

5 miles

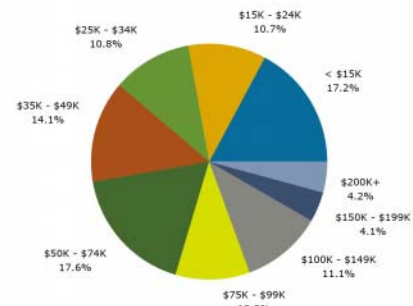
Trends 2013-2018



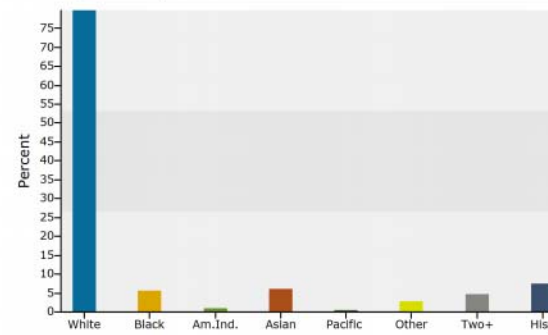
Population by Age



2013 Household Income

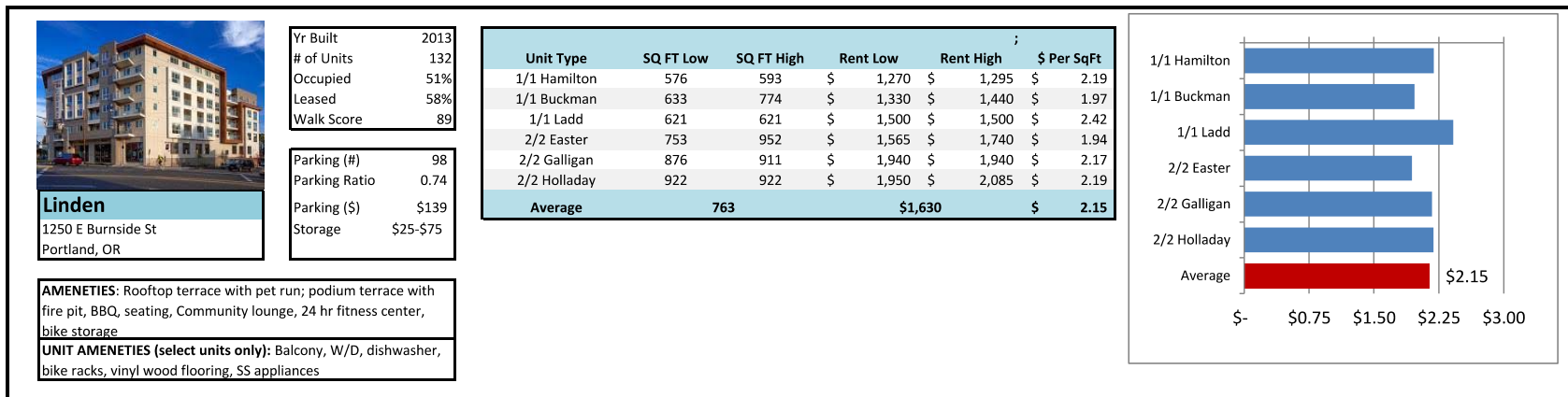
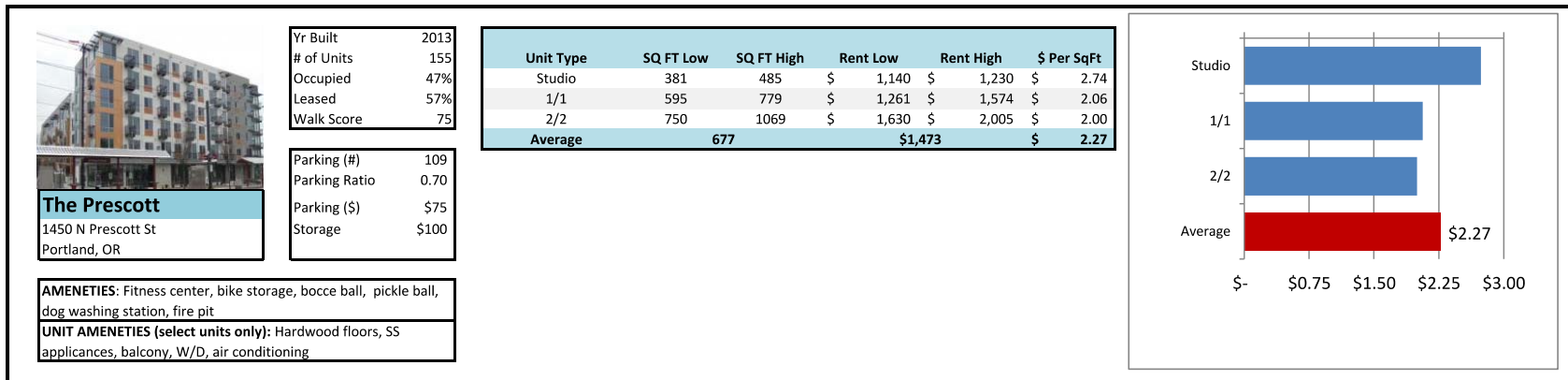
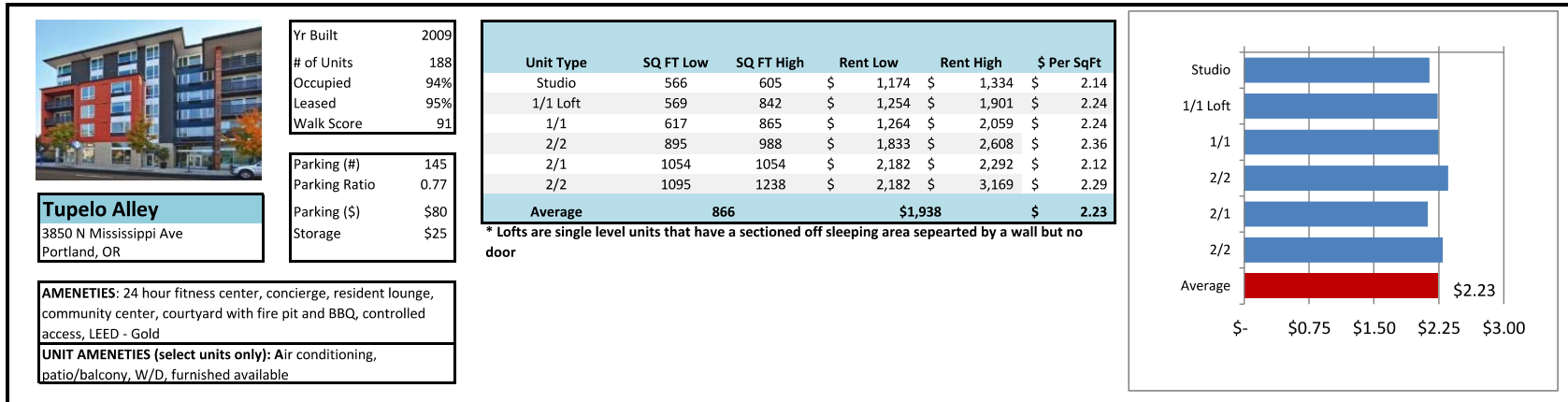


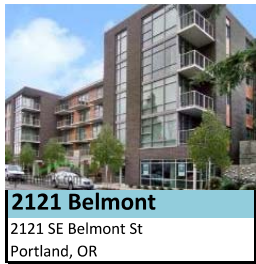
2013 Population by Race



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

APPENDIX PART 3 : DETAILED RESIDENTIAL COMPARABLES





2121 Belmont

2121 SE Belmont St
Portland, OR

Yr Built	2008
# of Units	123
Occupied	94%
Leased	97%
Walk Score	85

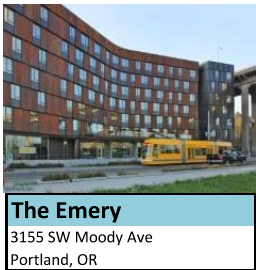
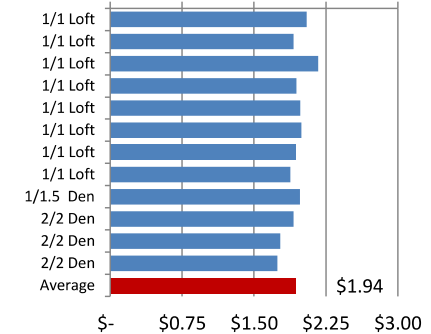
Parking (#)	126
Parking Ratio	1.02
Parking (\$)	\$75
Storage	\$100

AMENITIES: Controlled access, 24 hour patrol, fitness center, bike storage, business services, furnished apts

UNIT AMENITIES (select units only): Hardwood floors, SS appliances, patio/balcony, W/D, walk-in closets, utility rooms

Unit Type	SQ FT Low	SQ FT High	Rent Low	Rent High	\$ Per SqFt
1/1 Loft	707	707	\$ 1,339	\$ 1,557	\$ 2.05
1/1 Loft	787	806	\$ 1,493	\$ 1,553	\$ 1.91
1/1 Loft	795	795	\$ 1,625	\$ 1,824	\$ 2.17
1/1 Loft	898	929	\$ 1,716	\$ 1,836	\$ 1.94
1/1 Loft	902	902	\$ 1,724	\$ 1,855	\$ 1.98
1/1 Loft	907	907	\$ 1,746	\$ 1,870	\$ 1.99
1/1 Loft	911	911	\$ 1,768	\$ 1,768	\$ 1.94
1/1 Loft	1030	1030	\$ 1,899	\$ 1,974	\$ 1.88
1/1.5 Den	1214	1214	\$ 2,299	\$ 2,509	\$ 1.98
2/2 Den	1392	1392	\$ 2,499	\$ 2,824	\$ 1.91
2/2 Den	1563	1563	\$ 2,640	\$ 2,910	\$ 1.78
2/2 Den	1583	1583	\$ 2,652	\$ 2,872	\$ 1.74
Average	1060		\$2,031		\$ 1.94

* Lofts are single level units that have a sectioned off sleeping area with sliding doors



The Emery

3155 SW Moody Ave
Portland, OR

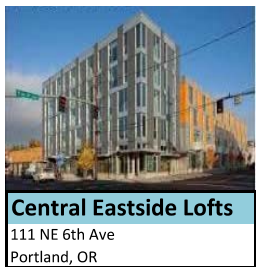
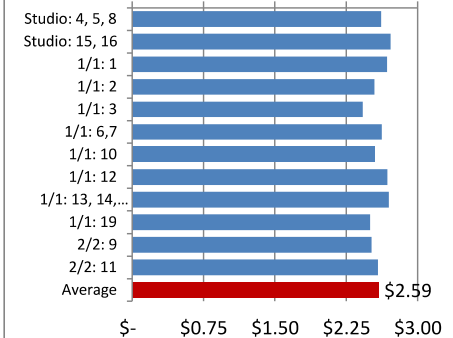
Yr Built	2013
# of Units	118
Occupied	44%
Leased	46%
Walk Score	71

Parking (#)	95
Parking Ratio	0.81
Parking (\$)	\$125
Storage	\$50

AMENITIES: Resident lounge with fireplace, outdoor living space with BBQ, lobby lounge, concierge, controlled access, bike tuning

UNIT AMENITIES (select units only): Concrete floors, plank floors, stone counters, SS appliances, W/D, large closets

Unit Type	SQ FT Low	SQ FT High	Rent Low	Rent High	\$ Per SqFt
Studio: 4, 5, 8	455	455	\$ 1,175	\$ 1,205	\$ 2.62
Studio: 15, 16	448	489	\$ 1,155	\$ 1,390	\$ 2.72
1/1: 1	489	489	\$ 1,310	\$ 1,310	\$ 2.68
1/1: 2	605	605	\$ 1,475	\$ 1,605	\$ 2.55
1/1: 3	460	460	\$ 1,015	\$ 1,215	\$ 2.42
1/1: 6,7	488	488	\$ 1,280	\$ 1,280	\$ 2.62
1/1: 10	528	528	\$ 1,295	\$ 1,395	\$ 2.55
1/1: 12	513	594	\$ 1,330	\$ 1,640	\$ 2.68
1/1: 13, 14, 17, 18	490	557	\$ 1,270	\$ 1,555	\$ 2.70
1/1: 19	661	764	\$ 1,565	\$ 2,000	\$ 2.50
2/2: 9	718	718	\$ 1,775	\$ 1,840	\$ 2.52
2/2: 11	907	907	\$ 2,260	\$ 2,425	\$ 2.58
Average	576		1490		\$ 2.59



Central Eastside Lofts

111 NE 6th Ave
Portland, OR

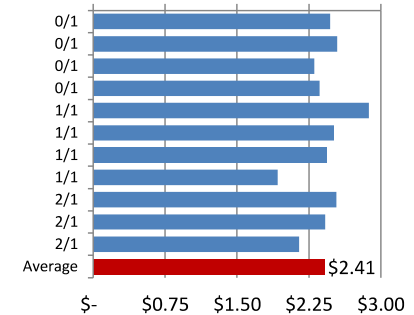
Yr Built	2012
# of Units	70
Occupied	95%
Leased	96%
Walk Score	91

Parking (#)	22
Parking Ratio	0.31
Parking (\$)	\$115
Garage Park	\$135
Storage	\$45

AMENITIES: Controlled access, roof top deck, bike storage with repair area, pet washing station

UNIT AMENITIES (select units only): Bamboo flooring, SS appliances, ceiling to floor windows, HE W/D

Unit Type	SQ FT Low	SQ FT High	Rent Low	Rent High	\$ Per SqFt
0/1	425	425	\$ 1,050	\$ 1,050	\$ 2.47
0/1	452	452	\$ 1,050	\$ 1,250	\$ 2.54
0/1	520	520	\$ 1,150	\$ 1,250	\$ 2.31
0/1	556	556	\$ 1,025	\$ 1,600	\$ 2.36
1/1	520	520	\$ 1,389	\$ 1,600	\$ 2.87
1/1	595	595	\$ 1,389	\$ 1,600	\$ 2.51
1/1	615	615	\$ 1,389	\$ 1,600	\$ 2.43
1/1	776	776	\$ 1,389	\$ 1,600	\$ 1.93
2/1	690	690	\$ 1,500	\$ 2,000	\$ 2.54
2/1	723	723	\$ 1,500	\$ 2,000	\$ 2.42
2/1	815	815	\$ 1,500	\$ 2,000	\$ 2.15
Average	608		\$1,449		\$ 2.41





Milano

105 NE Multnomah St
Portland, OR

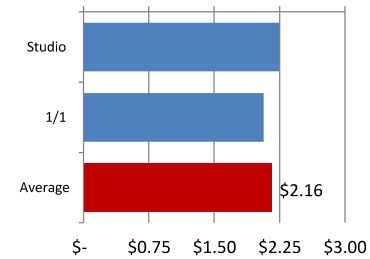
Yr Built	2012
# of Units	60
Occupied	94%
Leased	98%
Walk Score	78

Parking (#)	12
Parking Ratio	0.20
Parking (\$)	\$160
Storage (In)	\$40
Storage (Out)	\$25

AMENITIES: 24 hour artist lounge and community space, bike storage with bike lift and repair station

UNIT AMENITIES (select units only): Hardwood floors, SS appliances, W/D, Air conditioning

Unit Type	SQ FT Low	SQ FT High	Rent Low	Rent High	\$ Per SqFt
Studio	466	479	\$ 925	\$ 1,200	\$ 2.25
1/1	644	674	\$ 1,225	\$ 1,500	\$ 2.07
Average	566		\$1,213		\$ 2.16



20 on Hawthorne

1524 SE Hawthorne Blvd
Portland, OR

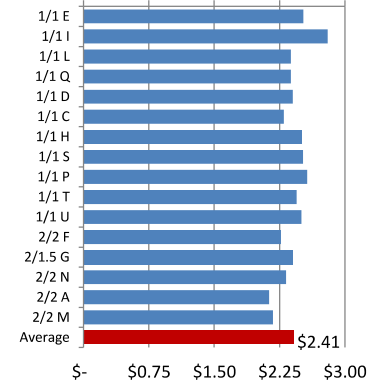
Yr Built	2009
# of Units	51
Occupied	98%
Leased	99%
Walk Score	88

Parking (#)	25
Parking Ratio	0.49
Parking (\$)	\$70
Storage	20-70

AMENITIES: Rooftop terrace, bike storage, LEED Gold

UNIT AMENITIES (select units only): Hardwood floors, granite counters, SS appliances, W/D

Unit Type	SQ FT Low	SQ FT High	Rent Low	Rent High	\$ Per SqFt
1/1 E	501	502	\$ 1,265	\$ 1,265	\$ 2.52
1/1 I	505	505	\$ 1,390	\$ 1,440	\$ 2.80
1/1 L	610	610	\$ 1,390	\$ 1,515	\$ 2.38
1/1 Q	584	584	\$ 1,390	\$ 1,390	\$ 2.38
1/1 D	583	583	\$ 1,400	\$ 1,400	\$ 2.40
1/1 C	600	631	\$ 1,415	\$ 1,415	\$ 2.30
1/1 H	575	575	\$ 1,415	\$ 1,465	\$ 2.50
1/1 S	568	568	\$ 1,430	\$ 1,430	\$ 2.52
1/1 P	590	590	\$ 1,515	\$ 1,515	\$ 2.57
1/1 T	654	654	\$ 1,600	\$ 1,600	\$ 2.45
1/1 U	640	640	\$ 1,600	\$ 1,600	\$ 2.50
2/2 F	839	839	\$ 1,890	\$ 1,915	\$ 2.27
2/1.5 G	811	812	\$ 1,890	\$ 2,010	\$ 2.40
2/2 N	845	845	\$ 1,965	\$ 1,965	\$ 2.33
2/2 A	968	968	\$ 1,990	\$ 2,135	\$ 2.13
2/2 M	961	961	\$ 1,990	\$ 2,190	\$ 2.17
Average	678		\$1,618		\$ 2.41



The Honeyman Lofts

555 NW Park Ave
Portland, OR

Yr Built	1903
Converted	1998
Remodeled	2013
# of Units	100
Occupied	99%
Leased	100%
Walk Score	94

Parking (#)	70
Parking Ratio	1.43
Parking (\$)	\$160

AMENITIES: Fitness center, community lounge, patio, rooftop deck, coffee bar

UNIT AMENITIES (select units only): Private decks, concrete floors, built-in seat windows, W/D, air conditioning

Unit Type	SQ FT Low	SQ FT High	Rent Low	Rent High	\$ Per SqFt
Studio/ 1 bath	600	1100	\$ 1,200	\$ 2,200	\$ 2.00
Lofts/ 2 bath	1000	1500	\$ 1,650	\$ 2,700	\$ 1.74
Penthouse/2 bath	1500	1800	\$ 3,000	\$ 3,500	\$ 1.97
Average	1250		\$2,375		\$ 1.90

* Loft on this chart refers to having an open upper area (the only true lofts in Portland).

